

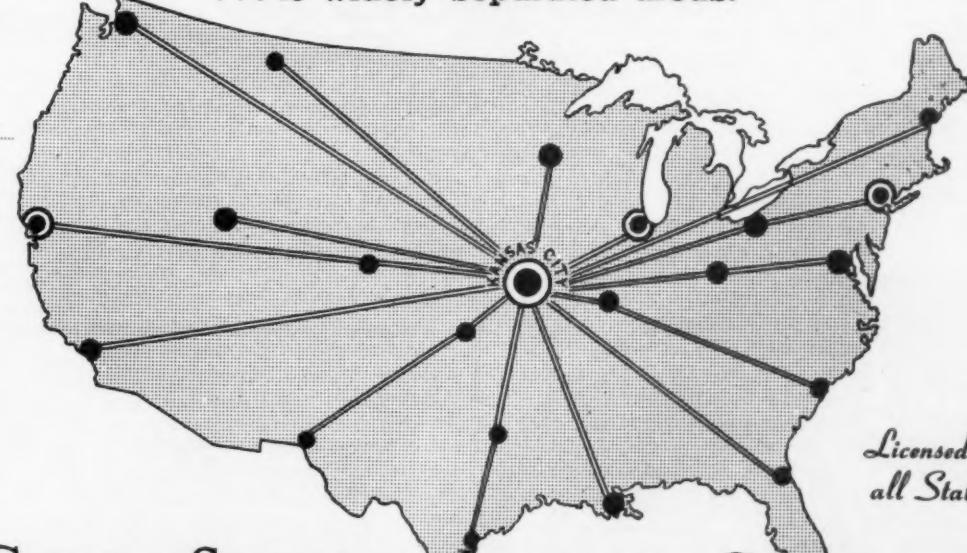
The NATIONAL UNDERWRITER



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When transportation and postal facilities are overtaxed . . . with emergency business . . . this central location often serves to shorten travel and speed service . . . to widely separated areas.



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CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, President

SAN FRANCISCO

CHICAGO

NEW YORK

THURSDAY, NOVEMBER 4, 1943

KANSAS and WISCONSIN AGENTS CONVENTION

Get THIS NEW PLAN FOR KEEPING YOUR MAILING LISTS UP-TO-DATE

Are you keeping your name and service before policyholders and prospects during these busy days when personal calls are hard to make? With so many wartime changes are you impressing the fact on your community that you are still operating your agency—ready to provide up-to-the-minute service?

In a survey among leading local agencies we found that a large majority are convinced of the value of an up-to-date mailing list but that in many cases the "spirit is willing but the flesh is weak." Time and office help are at a premium so in order to maintain a regular and efficient direct mail plan we have devised an effective mailing list maintenance plan for local agencies based on the experiences of agencies set forth in the survey.

Once you get your mailing list established on this practical plan which gives full consideration to the shortage of competent office help, you'll wish to send out a regular mailing each month. To meet this problem, The National Underwriter publishes the Insurance Buyers' Digest each month which contains news and educational material which your customers and prospects will read with interest. We'll be glad to send you a copy of the Insurance Buyers' Digest along with the mailing list plan so you can see for yourself how this inexpensive monthly miniature newspaper will aid you in solving your own public relations problem.

Mail the coupon today and we'll be glad to send you copies of both the results of the survey and the Insurance Buyers' Digest.

*Mail the Coupon
TODAY and put the
BUYERS DIGEST
to work for
YOU!*

MAILING LIST PLAN FOR LOCAL INSURANCE AGENCIES

Prepared By The Insurance Buyers' Digest, 175 W. Jackson Blvd., Chicago, Ill.

One of the most difficult problems faced by local agents is the maintenance of mailing lists for circularization of customers and prospects.

To attempt to get the answer to this problem a survey was made of methods used by leading local agents by the Buyers' Digest department of The National Underwriter. The following plan was evolved after a study of responses from 37 agencies in various sections and in different size cities.

The majority of agents agreed that a mailing list is important but with office help and time at a premium, practical aspects have to be considered. With this in mind, the Buyers' Digest mailing plan was worked out and it is presented to you along with pertinent comments regarding various phases of mailing list maintenance.

This Buyers' Digest Mailing List Plan:

1. Requires a minimum amount of time.

2. The person who types out the statements, invoices and expirations in one operation by means of carbon makes out an additional "Mailing List" Sheet at the same time.

3. The Mailing List Sheet is the same size as the other forms but, is on a different color paper.

4. It isn't necessary to print the Mailing List Sheet although it will facilitate handling if "Mailing List" is printed at the bottom such as "Invoices", "Expiration Record", etc. on the other sheets.

5. When the Mailing List Sheet is filed, if the customer has more than one policy, duplicates can be thrown away after possible changes in address are noted.

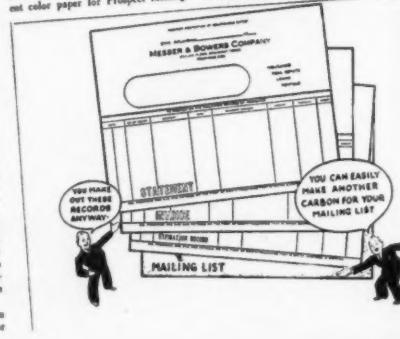
6. In large offices names of the solicitors are indicated on the invoice so this information will also appear on the Mailing List Sheet so that if a solicitor wishes to send out an individual mailing to his customers the names can be checked by the typist.

7. Regardless of whether or not you send separate mailings to prospects or

List Sheets than you do for Customer Mailing List Sheets for identification purposes. When a prospect buys a policy his Customer Mailing Sheet will automatically be substituted for his prospect sheet.

8. If you maintain a record of the various lines carried by the insured, such a record showing lines carried by agency, by other agencies and lines which should be carried can be printed at the bottom of the Mailing List Sheet as the typing on the service, etc., rarely extends to the bottom of the sheet.

9. If you wish to grade your customers and prospects so that only certain types of mailings will be sent them, you can designate sheets by a code such as "P" for personal business, "Mer." for mercantile risks and "Man." for manufacturing risks. You can also key the letter "A" stand for \$50 or less, "B" for \$50 to \$100, etc. In addressing lists the typist can be in-



Get a Copy of this SPECIAL REPORT

Since the Insurance Buyers' Digest was established nearly two years ago it has had a marked growth in circulation. Although many leading agencies in every section of the country are distributing copies each month, there are still a number of cities and towns where there are opportunities for live wire agencies to use the Buyers' Digest plan for keeping in regular touch with customers and prospects.

National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

Send me a copy of the Mailing List Plan for Local Agencies and samples of the Insurance Buyers' Digest.

Name

Address

City State

NOVEMBER 4, 1943

47th Year. No. 44

Calls for Broader Covers to Meet Buyers' Needs

Bowersock Advocates
Permanent Committee at
N. H. Meeting

MANCHESTER, N. H.—Establishment of a committee that would continuously develop genuinely comprehensive policies to meet the needs of modern buyers was urged by D. C. Bowersock, vice-president of Providence Washington, in his talk before the New Hampshire Association of Insurance Agents here. The personnel of the committee would represent all fire and casualty lines, but would reach its objectives through inland marine departments of the companies, he suggested.

The need for underwriting broader contracts is not only evident at present but unless it is done, the business may be lost, Mr. Bowersock declared.

Progress, But Not Enough

Progress has been made in providing new and needed coverages in the last 20 years, Mr. Bowersock said, but most of the broadened comprehensive inland marine policies sold today were designed in the 1920s and early 1930s. In recent years few new covers have been offered to the public at large, he said. Certain contracts have been broadened by casualty and fire departments, but these developments, while of some value, do not strike at the core of the problem.

One of the reasons for the market's failure to provide new contracts of a general nature, he said, is the application of the so called definition of marine insurance. When this was originally adopted there were many who hoped that the joint committee, formed for the purpose of interpreting the definition, would provide a channel for the reasonable development of new comprehensive contracts. The results of the committee's activity appears to have been to make the ruling restrictive rather than expansive, and many of their decisions have been in the negative. There have been instances where the committee concluded to prohibit the writing of certain classes of insurance in states wherein by law a company might provide such coverage. These rulings actually have caused a slight reversal of trend as is evidenced by certain encroachment in the marine field by fire and casualty departments under narrow forms of policies, he declared.

Division of Writing Powers

Many feel that the present difficulty arises from the division of writing powers established by the various states, creating in effect domains of insurance which substantially prevent underwriters in one class from entering the field of another. These divisions, while they serve a real purpose, need be no barrier to the offering of broadened coverages to the public providing they are used intelligently, he said.

The time has come when thought must be given to the immediate necessity of finding ways and means better to serve the buyer, Mr. Bowersock declared. He called attention to a few of the obvious advantages of comprehensive policies. By the phrase comprehen-

(CONTINUED ON PAGE 18)

Study Bettering of Disaster Setup

National Board Committee
Getting Report on Handling
of Texas Hurricane Losses

NEW YORK—The disaster committee, a subcommittee of the National Board's committee on adjustments, is studying all angles of the Texas hurricane loss to discover what lessons are to be learned and what improvements can be made in the National Board's plan for handling catastrophe losses. One of the chief problems to be solved, if possible before the occurrence of another major disaster, is a method for the speedy mobilization of an adequate number of competent adjusters.

The National Board catastrophe plan calls for the setting up of a supervisory office which has the responsibility along with other duties of negotiating arrangements for the employment of such adjusters on behalf of member and subscriber companies which want this done for them. However, largely because the plan had been worked out only a comparatively short time before the hurricane, no method had been worked out which would enable the supervisory office to negotiate such arrangements on the large scale that was necessary

Affected by Manpower Shortage

The difficulty of obtaining large numbers of competent adjusters on short notice was of course greatly accentuated by the wartime manpower shortage. Consequently the supervisory office established at Houston had to notify the companies that it would be unable to arrange for the employment of adjusters.

The objective of having the supervisory office obtain adjusters for companies desiring this service is to assure that when the extent of a disaster makes it necessary to bring in as adjusters men not customarily employed in this work by the companies and known to be competent, the supervisory office, by passing upon qualifications, will keep to a minimum the payment of excessive claims. The aim is to see that losses are really being adjusted and to curb any tendency to pay out the companies' money carelessly.

Has Considerable Control

The supervisory office, of course, has considerable control over any such tendency because one of its functions is to examine all claims and affix its stamp of approval to the closing papers before they are forwarded to the companies involved. In some cases it was necessary to send the papers on to the companies without approval where adjusters had not been able to reach unsatisfactory settlements and make what the supervisory office considered to be a reasonable settlement.

The disaster committee will probably get the final figures on the Texas losses late in November and it will probably be possible to close the Houston office Nov. 30. It is anticipated that the disaster committee will give its report to the committee on adjustments during the early part of December. The disaster committee has heard preliminary reports from J. F. Mazzia of Dallas, assistant general manager southwestern department, Fire Companies' Adjustment Bureau and G. W. Hanway, Dallas, independent adjuster, and from H. A. Coumbe, assistant secretary, National Board, who was in charge of the supervisory office at Houston. Mr. Hanway was the independent adjuster appointed under the National Board plan, which provides that if the catastrophe occurs

III. Dept. Resumes Issuing Licenses

Injunction Modified to
Permit Normal Work.
Hearing on Nov. 9

The Illinois insurance department license division is again functioning, since Graeme H. Smith, Chicago agent and broker, who secured a temporary injunction restraining enforcement of the license law, consented last Friday to modification of it to apply only to action of the Illinois department against him. The department has now set dates for some license examinations and can begin to issue licenses for which applicants had qualified before the temporary injunction was issued Sept. 28. Apparently, the department can also institute proceedings against any other alleged violators.

Mr. Smith's action, filed through his attorney, R. T. Hilliard, was voluntary and was for the purpose of permitting the license division to function. It had been paralyzed since Sept. 28.

Hearing on Motions Nov. 9

Circuit Judge LaBuy, who issued the injunction, will consider three motions in this case Nov. 9. They are a motion by the state to strike the complaint, a motion by Mr. Smith to require the state to make its motion to strike more specific and another motion by the state to dissolve the temporary injunction. If the motion to strike is denied, a date for a hearing on the main issue will then be set.

The injunction as modified restrains the insurance department from proceeding against Mr. Smith for alleged irregularities under his license as an agent and broker. The bill for injunction charges that the Illinois license law is unconstitutional under both the state and federal constitutions on the ground that it unlawfully delegates legislative and judicial power to the insurance director and his subordinates, does not provide an accused person with proper means of defending himself and discriminates unjustly between citizens of Illinois and of other states. One of Mr. Smith's points is that he needs to secure witnesses who are now in other states to defend himself against the charges and the insurance code makes no provision for securing witnesses outside the state.

Executive Body of Commissioners Will Meet Nov. 28

Commissioner McCormack of Tennessee, chairman executive committee National Association of Insurance Commissioners, announces that a meeting of the executive committee will be held in the Commodore Hotel, New York City, at 2 p. m., Sunday, Nov. 28. Commissioner Harrington of Massachusetts, president of the organization, has received an acceptance from Judge John B. Gontrum of Baltimore to the effect that he will make an address. He was formerly insurance commissioner of Maryland. There will probably not be many other set speakers.

in an area in which the Fire Companies Adjustment Bureau operates the National Board shall designate a representative of the bureau and a competent independent adjuster or other non-bureau representative to supervise jointly the operations of its office.

Third Hearing Is Held on Bills in Congress

A. V. Gruhn Raises
Question of Adequacy;
McKittrick Appears

By ROBERT B. MITCHELL

WASHINGTON—The third and apparently final hearing before the subcommittee of the Senate judiciary committee on the Bailey-Van Nuys bills to exempt insurance from the federal anti-trust laws was marked by Representative Hancock's able refutation of Attorney-general Biddle's statement of last week, the testimony of Attorney-general Roy McKittrick of Missouri, during which he announced he was going to institute mandamus proceedings against Superintendent Scheuerle if he had not started paying out refunds to policyholders from impounded premiums in the Missouri federal court rate case, and a statement by A. V. Gruhn, general manager American Mutual Alliance, who questioned whether the Bailey-Van Nuys bills are broad enough to avert some measure of federal control in case the Supreme Court reverses Paul vs. Virginia.

Regard Question as Important

Both Chairman Van Nuys of the Senate judiciary committee and Senator Ferguson of Michigan indicated that they considered the question brought up by Mr. Gruhn to be of the first importance. The bills would, in their present form, exempt the insurance business only from the federal anti-trust laws and thus, Mr. Gruhn pointed out, a reversal of Paul vs. Virginia would automatically and without any action by Congress make the companies subject to several federal statutes other than the anti-trust laws. He mentioned specifically that the Federal Trade Commission's powers are such that it could immediately investigate the companies' methods of doing business to enforce laws governing fair trade practices.

Because the hearing had already run more than three hours, Mr. Gruhn suggested that he put his intended remarks into written form and Senators Van Nuys and Ferguson assured him that it would have the most careful study.

Hancock Denies Biddle Allegation

Another question which the sub-committee viewed as being of much importance in connection with the bill was whether it would, if enacted into law before the Supreme Court decides on the Southeastern Underwriters Association case, prevent the court from holding the defendants guilty. Representative Hancock argued that it would not and hence that the bill is not, as charged by Mr. Biddle last week, an attempt to take the S. E. U. A. prosecution out of the Supreme Court's jurisdiction.

Has Bearing on Bills

Senator O'Mahoney of Wyoming, a member of the judiciary committee but not of the sub-committee, argued very eloquently that the bill would constitute the construing of a federal statute and that it would necessarily be retroactive to acts such as those alleged in the S.E.U.A. indictment. Assistant At-

(CONTINUED ON PAGE 4)

Jones Takes Fall Out of Government

Says Insurance Is Damned for Obeying State Laws

The federal government in its suit brought at Atlanta indicted 198 insurance companies and 27 individuals "as conspirators and criminals for acts that have been not only approved, but required by state governments," Insurance Director Paul F. Jones of Illinois told the Chicago Insurance Agents Association in its annual meeting.

He said the life insurance business, remembering the motive behind the TNEC probe of 1939, is wondering if its "Munich peace" with the new order is soon to be ended, and "they watch with apprehension while the fire branch is overrun by a blitzkrieg of propaganda, politics and criminal assault. Everywhere confusion exists in this atmosphere of uncertainty, and hesitation continues to hold in its grip the timid and fearful. Some of the cloistered elders of your industry have not yet realized that the peace of former years is broken and that today they are confronted with young and determined zealots of socialism and the new order."

Must Adjust to Realities

"What a pity that these snow-crowned executives cannot adjust themselves to current realities and recognize at once the contempt in which they are held by leaders of the new deal. It is a pity because not only they, but millions of policyholders they represent, must suffer the result of their procrastination."

The health, accident and casualty branches have no such illusions of security, he said, for they face the Utopian scheme of the National Resources Planning Board released in September, 1942, to expand social security. "According to the report," Director Jones said, "the government has decided to marry private business and move to Washington." He said he could not disagree generally with the objectives as announced, but first he would like to know whether this expansion of social security is a sound insurance program for all American citizens, or is a vehicle to capture votes; whether it is an honest, good-faith effort to advance American society, or a "heartless and deceptive appeal to a universal desire for safety and independence"; whether it is a device to funnel additional billions into the federal treasury to be spent for new deal purposes and adventures; whether the true purpose and effect is to provide political security "for the present rulers of America."

Seek to Rope Rich Prize

"Today our chief executive and the agencies of his department are riding hard in their effort to rope and carry away the last great prize of American free enterprise, the industry of insurance," he concluded. "If they should be successful, the commissions of every agent in the country will be adjusted in Washington and countless millions of the people's savings made ready for foreign aid and domestic bribery."

All officers were reelected by the Chicago agents. They are: Chairman, Bradford Gill, Gilbert & Gill; vice-chairman, L. P. Warren, Associated Agencies; secretary, Emil L. Lederer, Stewart, Keator, Kessberger & Lederer, and treasurer, William R. Reynolds, Chidley & Reynolds.

Illinois insurance men have a strong supporter in Congress of the states' rights principle which is fostered by the Van Nuys-Bailey bill in Congress to preserve state regulation of insurance and similar measures in the house, Wade Fetzer, Jr., reported. He read a letter from Rep. Fred E. Bussey of the third Illinois district (Cook county), which stated: "Every move that is made which

New President Is Veteran Wisconsin Man

David O. Stine of Reedsburg, Wis., retired state agent of the St. Paul Fire & Marine, who was elected president of the Life Members Society of the Northwest Association, traveled in Wisconsin for 30 years for his company. He retired about seven years ago. He was president of the old Wisconsin Field Club and was active in other organizations. He was elected president of the Fire Underwriters Association of the Northwest in 1923, presiding at the annual meeting held Oct. 15-16, 1924. Two years previous to that Mr. Stine gave an address before the Northwest Association, which Clarke Munn, manager of the Cook County Loss Adjustment Bureau, chairman of the nominating committee of the Life Members Society, stated was an insurance and literary classic. Mr. Stine has always been regarded as a finished speaker.



D. O. STINE

further restricts states' rights, in my opinion is another move toward dictatorship. I feel very keenly about this matter and shall do everything within my power to assist you in the passage of HR 3269 and 3270. I strongly urge that you attempt in every possible way to get every insurance man in the state of Illinois to write a letter to his congressman and Senators Brooks and Lucas in behalf of this matter. I have received quite a number of letters from insurance men in my district but the percentage is still very small in comparison to what I think they should have sent in."

Allan I. Wolff, Associated Agencies, past president National Association of Insurance Agents, conducted the election. Chairman Gill announced the annual business meeting would be held Dec. 7.

Nels L. Parkinson, assistant director of Illinois; Arthur G. Smith, deputy in charge Chicago office and several other department men attended, and also Walter M. Sheldon, president, and Alex Blumenthal, secretary, Chicago Board.

The Lucas County Insurance Board will be host to the Plant Protection Managers Association of Toledo Nov. 9 in Toledo. Maj. G. J. Hales, ordnance department district chief, Cleveland, will discuss "Plant Protection."

THIS WEEK IN INSURANCE

Government offers statistics on fire company operations at third hearing on Bailey-Van Nuys bill. Page 1

Injunction against Illinois department modified to allow enforcement of agents license law. Page 1

Disaster committee of National Board studying Texas hurricane loss handling for possible improvements in catastrophe setup. Page 1

Executive committee of the National Association of Insurance Commissioners will hold a meeting at the Commodore Hotel, New York City, the afternoon of Nov. 28. Page 1

D. C. Bowersock of Providence Washington outlines machinery with which the industry can provide broader coverages to meet buyers' needs in a talk at the New Hampshire agents' meeting. Page 1

Features of the hearing on the states rights for insurance bill in Washington are reviewed. Page 3

Plan for checking unqualified agents adopted by executive committee of Georgia Association of Insurance Agents. Page 2

Illinois Association of Insurance Agents is holding its annual meeting this week at Springfield. Page 2

Speakers at insurance section American Management Association meeting at Cleveland announced. Page 12

Georgia Executive Group Confers

Adopt Plan for Checking Unqualified Agents—Protest Federal Control

ATLANTA—Discussion of the West Virginia plan for controlling the appointment of unqualified agents, the existing impasse on workman's compensation rating and plans to aid the fight for legislation to free insurance from the threat of federal regulation featured the meeting of the executive committee of the Georgia Association of Insurance Agents here.

Plans were made for an individual check-up on all stock fire agents licensed with the belief that protest over unqualified appointments will largely cure the evil. All new licenses will be published in the "Georgia Cracker," association journal, for the information of members.

Compensation Proposal Hits Snag

The proposal for retrospective rating of workmen's compensation has struck a snag in Georgia with the contention of the Georgia industrial board that the stock company plan involves discrimination against employers with annual premiums of \$500 or less. The association committee reported that no solution appears probable other than to carry the issue to court.

Herman Haas, chairman Southern Agents Conference, reported that a great deal of interest was shown in the conference at the Pittsburgh meeting of the National association. On the basis of a request submitted by the Georgia association a committee consisting of Tom O'Berry of North Carolina, Ed Moore of Alabama, and Frank D. Moor, of Florida, is discussing the question of contingent commissions with the companies, Mr. Haas reported.

The Georgia executive committee unanimously instructed association officers to continue efforts to passage of the bills before Congress denying federal jurisdiction over insurance effective. "The present attack on fire insurance," Rutherford Ellis, past president declared, "is just part of a bureaucratic attempt to take over all forms of insurance by Washington, and this is a part of the plan to control all business through Washington bureaus." The necessity of cooperating with other groups who are threatened by "attacks on free enterprise" was recognized in the instructions to the association officers to cooperate with all such groups in mobilizing public opinion on this issue.

Illinois Agents in Annual Meeting

Officers and Directors Start Ball Rolling with Business Dinner

SPRINGFIELD, ILL.—The Illinois Association of Insurance Agents is holding its annual meeting here this week. There was a dinner meeting of the officers and directors Wednesday night. The president had queried all who were present as to what questions they desired to bring up and there were a number of suggestions made. The work of the year was reviewed and plans were formed for



LYLE H. GIFT

the new year. Lyle H. Gift, chairman of the board, presided.

On Thursday morning the vice-presidents and officials of local boards held a meeting with Merle A. Read of Joliet, executive vice-president, in the chair. Mr. Read undoubtedly will be continued in his office as he has been a success in it.

At the noon meeting Thursday Lyle H. Gift, chairman executive committee, will preside. Following the luncheon W. Herbert Stewart of Stewart, Keator, Kessberger & Lederer of Chicago and W. J. Jeffery, superintendent casualty department U. S. Fidelity & Guaranty, will explain the new compensation rating plan. The first regular session gets under way Thursday afternoon with President N. M. Winters of Quincy presiding. He will be toastmaster at the banquet Thursday evening. He has made a most useful president and the state association under his regime has increased its momentum.

Are you too busy to make calls? Let the *Insurance Buyers' Digest* do it for you. Write National Underwriter for samples.

Observation Made on State Regulation

A subscriber makes the following observation: "I was quite interested in the address given by R. P. Barbour, manager Northern Assurance, at the meeting of the Ohio Association of Insurance Agents in his proposal for nationwide adoption of New York's new standard policy. Carrying the thought that I have expressed already a step further, what could be a clearer indication of a more enlightened system of state regulation than early adoption by every state of the new policy? The best way to lick federal regulation is to make state regulation work. Am I right?"

November 4, 1943

Texas Presents Serious Problem in Extended Coverage

Windstorm Insurance Complicates the Situation in the State

NEW YORK—Texas presents a serious problem to companies writing extended coverage. There is a growing conviction that windstorm insurance should not be written on a five year average, but should be treated as a catastrophic coverage as it is in Florida where rates are three times greater than they are in Texas, and the type of building construction is far better.

Events of the last three or four years indicate to underwriters that windstorm rates should be based on 25 to 30 years experience. For instance, San Antonio, which had never suffered a hail storm, had five in one month and the subsequent losses from hail alone wiped out a 10-year profit of the underwriting companies.

Windstorm Experience

The windstorm experience record of one company in Texas shows a loss ratio of 40% for inland territory and 166% for seacoast in 1941 and in 1942 the inland figure was 125% while that of the seacoast was 79%. It is not yet known what this year's figures will show, but it is a foregone conclusion that they will be very high because the original estimate of \$12,000,000 for damage done in the Houston hurricane has been reaffirmed now that a long view can be taken of the losses which to date number 65,000.

While the companies will undoubtedly continue to write extended coverage in Texas, it will be done on a more conservative basis, underwriters feel. Up until about 10 years ago a charge of 10c per \$100 was made for inclusion of hail in the extended coverage policy, but in 1933 the rider was declared mandatory and attached to the policy free of charge. Since then the insurance has become somewhat of a maintenance contract for unscrupulous policyholders.

Several Remedies Suggested

Several remedies have been suggested and are said to be under consideration. These include an increase of 25% on rates for inland territory with a \$50 deductible; an exclusion of the hail coverage unless additional charge is made and a 50% increase in seacoast rates with \$50 deductible. The adoption of such increases would provide at least temporary relief. No change can be made in building construction until after the war but it is felt that at that time Texas should take a leaf from Florida's book and adopt a more rigid building code.

This was done in Florida following the terrific hurricanes which leveled buildings and homes in various parts of the state. A type of construction regarded as hurricane resistant was adopted and this modern streamlined architecture of Florida has served its purpose well up to the present time. In Texas where towns sprang up almost overnight in some parts of the state there was no thought given to the possibilities of windstorm damage when the average run of homes and buildings were erected. There are few wind braces, roofs are not securely anchored and a terrific windstorm such as the last one in Houston, which reached a velocity of 135 miles an hour, demolishes everything in its path.

Hearing on States Rights Bill Is Illuminating

Questioning Seeks to Show Contradictions in Biddle's Stand

The question of whether there should be held further public hearings before the Senate judiciary subcommittee on the Van Nuys-Bailey states rights for insurance bill brought out some interesting information at a hearing last week at which Attorney-General Biddle

The wire story from Washington on last week's hearing was delayed several hours and it was necessary to put the story in on the press, which meant that some issues did not carry the story while others carried only part as some of the pages were already printed.

appeared as an adverse witness, and really adverse.

Before starting to make his statement, Biddle asked Senator Van Nuys of Indiana, whether other hearings were to be scheduled. Van Nuys replied that he had intended that last week's hearing be the final one, whereupon Biddle said that he desired to have Attorney-General McKittrick of Missouri appear before the committee and also he desired to present the result of studies which he said the Department of Justice is making, on the relation of losses paid to total income of insurance companies, rates, earnings, dividends and state laws.

This was the first time that the Justice department had officially acknowledged that its procedures against

the companies along the anti-trust line were prompted by McKittrick. Biddle stated that on Feb. 12, 1942, McKittrick called on him and urged him to investigate the law and the facts and to authorize action under the Sherman act against alleged restraints of trade fostered and maintained by the stock fire companies. Biddle stated that he learned from Thurman Arnold, then assistant attorney-general, that the department had received numerous complaints from aggrieved persons charging illegal practices by combinations of stock fire companies resulting among other things in the charging of high and discriminatory premium rates and the elimination of competition.

Frequent Interruptions

These statistics that the Department of Justice has gotten up are of a kind designed to give the insurance business apoplexy. The comparison made is not of premiums earned and losses incurred but of paid losses and total income including investment income. Biddle asserted that the companies should be judged by such a comparison, leaving the implication that rates should be governed by such experience. Such a contention harks back to the first days of the Missouri rate case. One of the main arguments of the Missouri insurance department in ordering a 10% reduction in fire insurance rates in 1922, was that income from investments representing premium reserves should be taken into consideration in establishing the rates. That was perhaps the capital consideration of the companies in deciding to contest to the limit the Missouri rate reduction. Biddle apparently

(CONTINUED ON PAGE 10)



At Indiana Association of Insurance Agents annual meeting in Indianapolis:
Above: Hobbs Miller, Seymour, Ind., and Roy L. Davis, Chicago manager Association of Casualty & Surety Executives. Below: Harry E. McClain, secretary-treasurer Indiana association, and E. J. Savage, superintendent of agencies of Zurich.

War's End to Mean Scant Relief for Office Management

Conference Speaker Predicts Paper Work Demands Will Continue Complex

NEW YORK—The office manager's post war problems will be almost as difficult as those of the present, which have been intensified by the war, according to H. E. Niles, vice-president of Baltimore Life, who addressed the office management conference of the American Management Association here. Mr. Niles is vice-president in charge of the A.M.A. office management division. "There will be little if any letup in the paper work required by the government, which will of necessity exercise some rather widespread controls over our economic life," he predicted. "Whereas the controls are at present direct toward the winning of the war as the central major goal, after the war there may be far less agreement upon the major objectives of our government, and there may be greater confusion as to both ends and means."

Indicating what problems are uppermost in the minds of office managers, Mr. Niles said that replies to a questionnaire sent out to aid in formulating the program revealed that problems of compensation received the most votes, with morale problems as runner-up. The subject of unionization of office workers, he said, was midway on the list of subjects on which discussion was desired. He added that the large vote for compensation and morale problems might be a reflection of the widespread belief that if these two major problems are solved the solutions will also have been found to the major problems connected with unionization.

Mr. Niles said that as the country becomes more deeply involved in the war and as casualties occur among family and friends, the office manager will be supervising many people whose outlook on life has changed or will change in the course of the coming months. In the adjustments in personal outlook that will have to be made relatively few office managers will be called on for help, he said, but nevertheless they are in a position to influence the views of the clerks and these views will have a marked effect on production.

Mr. Niles mentioned what some large organizations are doing in having employe counselors to help the clerks with their "total adjustment to life." He pointed out that unless work in the office is felt to have more significance than just being a means to make money the clerks' efficiency will be below what it could be. The clerks, he said, should feel that they have the right and duty of making suggestions and taking part in the efficient conduct of the organization.

Ashby Hill President

In a recent article referring to the coming meeting of the Southeastern Underwriters Association to be held Nov. 19 at Atlanta it was stated that L. P. Jersey, southern manager of America Fore, was president. He is the immediate past president. Ashby E. Hill, vice-president of Home, was elected president at the annual meeting in June.

Freeman New Minn. Deputy

ST. PAUL—Commissioner Johnson announced the appointment of Everett P. Freeman, city attorney of Chisholm, Minn., as deputy insurance commissioner.

Third Hearing Is Held on Bills in Congress

(CONTINUED FROM PAGE 1)

torney-general Wendell Berge took the same view.

Obviously, the question whether the bill would avert a pending prosecution or would merely clarify the law as to future acts has a considerable bearing on the way the bill will be viewed when it comes up for passage by Congress and on how its enactment may be expected to react on the public.

Referring to the regional rating organizations as "supergovernment" O'Mahoney declared that the bill would permit the four organizations to govern the business of insurance with no interference from anyone, the states being unable to cope with this "supergovernment."

In his prepared statement, Mr. Hancock stressed the fact that in the absence of the bill in question a reversal of Paul vs. Virginia would lead to chaos in the insurance business, since at best a long period would be required to determine what, if any, portion of state regulation may be retained if the federal anti-trust statutes were held to apply. He disputed the contention of Mr. Biddle that the District of Columbia Medical Association decision was tantamount to holding insurance to be commerce, and called attention to another District of Columbia case, Lown vs. Underwriters Association, in which the court held in 1911 that anti-trust laws did not apply to insurance and which stands as the only federal decision on the question.

Biddle Point Has No Bearing

While marshalling an imposing array of evidence to refute Mr. Biddle's contention that state regulation is inadequate, Mr. Hancock said that the subject is not material, "for it is our view that the intention of Congress is to leave the matter of regulation to the states and not to interfere. The adequacy or inadequacy of state regulation does not, to our mind, have any real bearing upon the bills in question."

As to Mr. Biddle's charges of companies boycotting buyers of non-stock insurance, Mr. Hancock declared that fire companies would be, as buyers, in a weak position to enforce a boycott and that anyway the common law provides ample remedy against boycotts.

It seems immaterial, he continued, that insurance companies, whether fire or life, have opposed state regulation.

"It is conceivable," he said, "that such opposition was to secure a final determination of that law under which the business must be conducted. In any event, that is a matter of history for the law of the land, as announced by the Supreme Court, now upholds state regulation."

Don't Need Insurance Investigation

As to Mr. Biddle's suggestion for a wide congressional investigation of insurance, Mr. Hancock said he felt that with the pressure of war, such an investigation is not required, "nor do we

feel that such an investigation is a prerequisite for consideration of the bills now before us."

Though asserting that Mr. Biddle's reference to the Missouri bribery scandal was irrelevant, Mr. Hancock took occasion to cite a passage from the 1939 report of the federal grand jury of the western district of Missouri which thanked the insurance executives "who cooperated so fully with this jury in bringing the true story to light," and stating that "our later investigation, following the court's instructions to the U. S. district attorney, failed to uncover any supporting evidence whatsoever that any insurance company officials had knowledge of the dealings between C. R. Street, R. E. O'Malley and T. J. Pendergast when this (Missouri rate case) settlement was made and later approved by the court."

STATISTICS FILED

Berge filed with the sub-committee tables and explanatory material based on financial records of fire companies. Observing that Hancock had taken issue with some of the figures which Attorney-general Biddle presented last week as being based on only a single year, Berge pointed out that the data he was submitting were based on much longer periods.

One table showed that for all fire and marine companies, stock and mutual, losses for the five years ending with 1939 averaged about 35% of total income, including investment income, and that net earnings were about 50% of losses paid and the earnings on capital stock averaged 54%.

A second table showed that dividends paid by the 10 largest stock fire companies for the 33 years 1910 through 1942, calculated on the basis of \$100 par for the shares, ranged \$20 to \$25 a share for most of the companies over the greater part of the 33-year period.

Table 2-A showed that the average premium rate for stock companies has declined during the past 20 years but that the rate of losses paid has declined still more rapidly. The explanatory text cited as an example the year 1921, when average fire premiums shown by the table were \$1.05 per \$100 of insurance and losses paid were 61 cents per \$100. In 1941 the premiums averaged 65 cents and losses 26 cents per \$100, a decline of 38% in premiums and 57% in losses.

Table 3 showed that of the premiums written by 348 stock fire and marine companies, amounting to about \$913 million in 1941, about 72% were written by 20 of the largest groups.

The 15 largest groups wrote 62% of the premiums; the 10 largest 51% and the five largest 32%.

Table 4 showed the 1941 financial

record of the 10 largest stock fire companies, which earned premiums totaling about \$272 million, and after paying all losses and expenses the earnings on the paid-up capital for the 10 companies averaged 52% with a low of about 25% for two companies and a high of 118% and 136% for two others. Dividends paid averaged 32½% of the paid-up capital. Average earnings for the five years ending with 1941 were about 49% on paid-up capital.

The table also shows that the 'statutory underwriting profit or loss' of the underwriting department which is reported to state insurance authorities does not reflect the full earnings of that department," the explanatory text points out.

"On the basis of the state reports five of the 10 companies showed a loss on underwriting and five showed a profit. The profits of the five companies, however, exceeded the losses of the other five so that the aggregate profits of the 10 companies were about \$2,481,000.

Underwriting Profits

"According to Best's Insurance Reports, however, the estimated profits of the underwriting department for these companies were nearly eight times the figures reported to the states, or a profit on underwriting for the 10 companies of approximately \$19 million for 1941."

Table 5 was drawn to show that fire insurance premiums vary greatly as the state lines are crossed and that these premiums are not adjusted to the actual losses paid in the different states.

The table showed that for 13 states and the District of Columbia for the period ending with 1940 the percentages of losses to premiums averaged as follows: Alabama 47; Colorado 32.9; Florida 34.4; Georgia 50.9; Idaho 44.8; Indiana 42.2; New York 43.1; Pennsylvania 35; South Carolina 50.6; South Dakota 39.8; Texas 49.2; Wisconsin 43.8; Wyoming 33.4; District of Columbia 24.5.

Table 6 attempts to show that the ratio of losses to premiums among cities within the states is highly variable. The text made the point that four Ohio cities, Cleveland, Cincinnati, Akron and Toledo, have an average premium on brick buildings of about 16 to 17 cents per \$100 of insurance but the fire loss per capita on a 5-year average varies all the way from \$1.52 for Akron to \$3.48 for Toledo. In Missouri the St. Louis rate on brick buildings is about 35 cents and in Kansas City about 37 cents but the Kansas City per capita fire loss averaged nearly double that of St. Louis for the 5-year period, \$3.54 for St. Louis and \$6.22 for Kansas City.

Table 7 shows that several years ago big business got much lower insurance rates than little business," the text points out. "Recent figures on losses by detailed classifications are not available but this table, compiled from a 20-year average ending some years ago,

Revokes License of Agency in Detroit Controlled by Bank

LANSING, MICH.—Commissioner Forbes of Michigan in maintaining the department's rule against controlled agencies has revoked the license of the Washington Agency of Detroit.

At a hearing it was disclosed that the agency, organized in December, 1940, was wholly owned by the Industrial National Bank of Detroit, the holdings of stockholders in both being in the same proportion.

Michigan laws, the commissioner pointed out, permit the licensing as agencies only of Michigan corporations and it was apparent that the true licensee, in this case, was a national bank. Furthermore, the comptroller of the currency has ruled that it is the policy of the federal authorities not to permit national banks in cities of more than 5,000 population to hold an insurance agency license. Numerous court decisions, the commissioner said, hold that mere incorporation of a dummy company as a veil for operations actually conducted by the owner corporation, do not constitute adequate compliance with these limiting statutes and rules.

Dividends Paid in One Check

It was brought out at the hearing, Commissioner Forbes disclosed, that dividends paid by the agency corporation were included in the same check with the dividend paid by the bank, the agency having merely authorized the payment from its own account in the bank, to be paid proportionally to the bank stockholders according to their holdings.

Harry Bowen, who operates the Michigan Investment Agency in Detroit, which served as general agent for the Washington agency, was president of the latter agency, with all other officers and directors officers and direc-

(CONTINUED ON PAGE 40)

shows that large factory units such as boot and shoe, cigarette, soap and plumbing manufacturers, had a percentage loss to gross premium running all the way from about 100 to 160% of the premiums received, thereby leaving nothing for operating expenses and showing a substantial loss on these risks in addition.

"At the bottom of the table is shown the loss ratio on retail and wholesale mercantile buildings, which is about 17.2% for retail and about 24% for wholesale. In other words, the losses on the ordinary merchandise building averaged around 20 cents on the dollar of premiums, whereas the large factories secured a premium rate so low that heavy losses were shown on the aggregate of these policies. Therefore, these losses on big policies were paid for out of the high rate on small business."

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THEY ALSO SERVE - -

who provide Insurance Protection
to our Home Front.

How splendidly our Naval and Air Forces, with those of our Allies, are furnishing the essential covering protection for convoys, invasion landings, and for our gallant Allied Armies on the field of battle. Ably too, are you — the Local Insurance Agents — and the Insurance Company Staffs providing essential protection for the supply base which supports our whole war effort — the Homes and Factories of America. And as the superb teamwork of all our armed forces is hastening the day of ultimate Victory, so too, is the day-by-day teamwork of the insurance forces contributing to that Victory. Together, the Agents and the Insurance Companies are protecting the Home Front by providing insurance against Fires, Property Damage, Machinery Breakdowns, Production Stoppage and Personal Injury Accidents — and by serving as the sales and fiduciary agents for U.S. War Damage Insurance.

The knowledge that Protection for the Home Front is essential to success on the Battle Front should inspire every insurance agent to see that there is no breach in his part of the line — that no individual, home or business in his territory is without adequate insurance protection against the increased hazards of these wartime days.

The seven Fire and two Casualty companies of the well-known Commercial Union Group, one of the strongest capital stock insurance organizations in the World, offer agents everywhere unsurpassed facilities and policies to protect their clients. We pledge our fullest cooperation and teamwork in the important service you are rendering to the cause of Victory.

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Vigorous Parley for N. H. Agents

Kendall Reelected; Criticizes Company Groups, Naming Auto Salesmen

By RALPH E. RICHMAN

MANCHESTER, N. H.—Kennett R. Kendall, Rochester, was reelected president of the New Hampshire association of Insurance Agents at the annual convention here Tuesday.

Charles J. McKee, Concord; Von J. McPherson, Claremont, and Douglas N. Everett, Concord are vice-presidents elected; Robert S. Perkins, Manchester, secretary-treasurer and editor of "Granite Chips," and George E. Clark, Lisbon, state national director. Executive committee members are Robert M. Clark, Keene, chairman; Edgar B. Prescott, Laconia; Dean B. Merrill, Hampton; Leo B. Dowd, Nashua; John T. Nelson, Manchester; Robert B. Harrison, Lebanon and Percy M. Ayer, Plymouth.

Scores Board, Executives Group

Strong criticism of the National Board and the Casualty & Surety Executives Association was voiced by President Kendall in his report for what he termed their failure to cooperate in obtaining passage of legislation to prevent licensing of automobile salesmen as insurance agents. He said there was not only no cooperation but direct opposition from the National Board. He predicted a bitter fight between agents and insurance companies unless some plan of cooperation is developed between these forces for promoting stricter agency qualification laws.

George E. Clark, state national director, reported that in New Hampshire 91 agents have pledged \$3,700 to the public relations program of the National association. Many pledges exceeded \$50. The top pledge was \$300. A progress report from Robert N. Davis, Conway, chairman of the agents' qualification committee, was read by President Kendall. A number of test cases will be brought before the new insurance commissioner, Donald Knowlton.

Explains Inspection Work

Brief addresses were made by Col. D. T. Carlyle to tell about the state war inspection service, and by Commissioner Knowlton, who defended state regulation of insurance. He said his door would always be open to all representatives of the insurance business.

About 200 members of their office staffs and visitors attended. Donald C. Bowersock, vice-president of Providence Washington, reviewed the function of the Inland Marine Underwriters Association and the development of the inland marine definition, declaring that the time is at hand for expansion of that definition to enable insurers to meet the needs of insurance buyers.

Three phases of agency management to promote future agency prosperity were advanced by Oscar Beling, superintendent of the agency systems department, Royal-Liverpool group, New York. They are correct organization of mechanical and routine operations of the agency, the preparation and following of a long range program of sales efforts, and a careful method of giving complete service to buyers of insurance. Mr. Beling outlined a number of question tests for checking agency efficiency from these three viewpoints. Since telephone contacts are much more frequent

now, special study of service and sales use of the phone is especially desirable today. Likewise an agency will find it worth while now to have typewriters and calculating machines given regular service attention since repair and replacement are now very difficult.

Governor Blood of New Hampshire, addressing the meeting after the luncheon, spoke aggressively and firmly in favor of states rights. He said any failure to hold to states rights must in the end be recognized as a failure of the voters to exercise their franchise to

protect them. The agents' safeguard, he said, is to sell to the people the insurance protection they need.

Personal letters instead of mimeographed forms are now being used by the New Hampshire motor vehicle department for answering agency inquiries on the financial responsibility law, according to Virgil White, state motor vehicle commissioner. He also announced that all insurance questions asked over the telephone can now be answered more readily because the office files are being consolidated to unite

all information about each risk that comes up.

A. Clifford Hudson, secretary New Hampshire Board of Fire Underwriters, told the agents that rumors of his entry into some service for the national government were not correct and that he was remaining in the state.

Commissioner Perkins of Maine commended agents for seeking better qualification laws. He advised that the National association make very clear to the public for what purpose the funds be-

(CONTINUED ON LAST PAGE)



K. R. Kendall



Where to Find the Answers to Puzzlers Like These

Q.—Why is it not possible to secure fire insurance with a deductible clause at a reduction in rates, thereby making it possible for the insurance company to make a considerable saving in the adjustment expenses of small claims?

Q.—Why cannot a Use and Occupancy contract be written so that it is possible to recover from the insurance company the full amount of the contract?

To get good, clear, understandable answers to these and other similarly involved insurance questions, write for the FIRE ASSOCIATION GROUP's new booklet—"8 PUZZLING QUESTIONS ANSWERED ABOUT PROPERTY INSURANCE."

Reprinted from material made available by the Business Development Office, this new booklet contains authoritative background information on the business factors governing fire insurance practices which ought to prove extremely instructive—and valuable—to all Agents and Brokers.

The booklet is free—send for copy today! Fire Association Group, Philadelphia, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

540,000 PROSPEROUS PROPERTY OWNERS, including many of your best prospects and clients, are seeing ads like this in FORTUNE and NATION'S BUSINESS every month.

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On November 2, 1920, Calvin Coolidge was elected Vice-President. Upon Harding's death about three years later, he succeeded to the Presidency... took the oath of office from his father in Plymouth, Vermont. During the prosperous Coolidge era, the nation more than

doubled its fire insurance coverage... and, as a consequence, rates went down sharply. They've kept going down, too—today, rates are lower than ever—largely because outstanding companies like the Fire Association Group labor unceasingly to reduce costs by reducing hazards.

1943—NOVEMBER hath 30 days

"Keep room temperatures low—save all the fuel you can!"

ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

NOV	Latitude + 30°		Latitude + 45°	
	BUNRUE	BUNSET	BUNRUE	BUNSET
1	6:13	5:14	6:20	5:07
6	6:17	5:10	6:25	5:02
11	6:21	5:07	6:30	4:58
16	6:25	5:04	6:34	4:55
21	6:29	5:02	6:39	4:52
26	6:33	4:58	7:01	4:50

NOV	Latitude + 45°		Latitude + 60°	
	BUNRUE	BUNSET	BUNRUE	BUNSET
1	6:28	5:37	6:37	4:50
6	6:34	5:41	6:44	4:43
11	6:39	4:48	6:51	4:37
16	6:45	4:43	6:58	4:31
21	6:51	4:41	7:05	4:21
26	6:56	4:38	7:11	4:23

NOV	Latitude + 60°		Latitude + 75°	
	BUNRUE	BUNSET	BUNRUE	BUNSET
1	9:25	8:24	9:59	8:00
6	11:32	10:21	11:56	9:58
11	1:13		1:31	
16	2:39	1:32	2:47	1:21
21	3:57	3:38	3:58	3:38
26	5:13	4:43	5:22	4:44

To obtain local times of sunrise and sunset: for longitudes other than the standard time meridians (i.e., 75°, 80°, 105°, and 120° for Eastern, Central, Mountain, Pacific Standard Time), decrease time four minutes for each degree east of standard meridian, or increase time four minutes for each degree west of standard meridian.

- 1—M.—1897, new Congressional Library opened.
- 2—Tu.—ELECTION DAY (in most states).
- 3—W.—No "favorite sons" among Fire Association Group policy holders. All property owners get the same quick settlements!
- 4—Th.—First Quarter, 10:22 P.M., E.S.T.
- 5—Fr.—1795, Dayton, Ohio, founded.
- 6—Sa.—1860, Selden's 3-cyl. automobile engine patented.
- 7—Su.—1860, Padrewski, Polish statesman-pianist, born.
- 8—M.—1887, gramophone patent issued. 1892, Cleveland elected President.
- 9—Tu.—1872, Boston's "GreatFire", 776 bldgs. destroyed, losses, \$75,000,000. Claims against Fire Association Group settled with customary promptness.
- 10—W.—1775, Congress authorized formation U.S.M.C.
- 11—Th.—ARMISTICE DAY.
- 12—Fr.—1928, S. S. Vestrus founded—113 lives lost.
- 13—Sa.—1828, Fire Association insures houses with trees in front for first time.
- 14—Sa.—1775, Benedict Arnold led U.S. troops into Quebec.
- 15—M.—1806, Pike's Peak discovered.
- 16—Tu.—1933, diplomatic relations with Russia resumed.
- 17—W.—1880, U.S.-China immigration treaty ratified.
- 18—Th.—1872, Susan B. Anthony, militant suffragette, arrested for trying to vote.
- 19—Fr.—Last Quarter, 5:43 P.M., E.S.T.
- 20—Sa.—It takes a specialist to judge the adequacy of fire insurance coverage. Put the problem up to your Agent or Broker now!
- 21—Su.—1916, death of Franz Joseph, Austrian Emperor.
- 22—M.—1894, prelude to Pearl Harbor... Port Arthur taken by Japanese.
- 23—Tu.—1890, Wilhelm II succeeded to Netherlands' throne.
- 24—W.—1637, New Haven purchased from Indians.
- 25—Th.—THANKSGIVING DAY (only one this year!)
- 26—Fr.—Today, fire insurance rates are at an all-time low. See your Agent or Broker—plug the holes in your coverage at once.
- 27—Sa.—New Moon, 10:23 A.M., E.S.T.
- 28—Su.—1783, 1st U.S. Post Office opened.
- 29—M.—1929, Byrd reached So. Pole 8:55 A.M. (N.Y. time).
- 30—Tu.—1922, discovery of Tutankhamen's tomb.

OBSERVATION for November: It is not safe to assume you're getting adequate insurance protection unless your policies have been recently revised to take into account the upward trend in building replacement costs.

MORAL for November: Have your coverage brought up to date... call your Agent or Broker at once!

PROPERTY INSURANCE
Fire-Automobile-Marine

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PHILADELPHIA
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AN ADVERTISEMENT IN NATIONAL
MAGAZINES TO HELP YOU SELL PERSONAL LIABILITY

Conn. Association in Annual Convention

President E. S. Cowles, Jr. Reports on the Main Problems of the Day

HARTFORD—The annual meeting of the Connecticut Association of Insurance Agents was held Wednesday with E. S. Cowles, Jr., of this city, president, in the chair. The business meeting started in the afternoon and today's activities closed with a banquet. President Cowles in giving his report referred to the bills in Congress to exempt insurance from federal anti-trust laws and announced that the Connecticut delegation in Con-



E. S. COWLES, JR.

gress has pledged support. He urged, however, militant and active work to endeavor to secure the passage of these measures. He took up the stop order on commissions saying that as independent contractors he understands it does not apply to insurance agents but it does indicate that the government is drifting into business in every possible way.

Substantial Air Premiums

Following the cessation of hostilities Mr. Cowles predicted that there would be substantial air premiums. Insurance, he said, should lay the ground work for the expansion of this industry. It should explore the possibilities of this field and determine its responsibility in offering to owners, airplane insurance as is now possible under the existing company pool arrangements and otherwise. He urged that agents discuss the question with their companies and learn what they are doing to prepare themselves for the sale of this type of coverage.

He stated that the Connecticut Automotive Trades Association undoubtedly defeated the passage of Senate Bill 762 embracing the financial responsibility act. That organization, its secretary stated, believes that automobile dealers should be allowed to sell insurance at the time of the sale of the car. The organization has taken encouragement, he said, from the agency association's

Bookkeeper available for part time work in Detroit. Fifteen years experience in agency accounting. Can furnish best of references. Write or call Detroit National Agency, Inc., 633 Majestic Bldg., Detroit, Mich.

WILL PAY CASH FOR FIRE AND CASUALTY AGENCY IN DETROIT. ADDRESS BOX T-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

deal with the Motors Insurance Corporation agreeing not to oppose the issuance of licenses to automobile dealers for sale of comprehensive fire and theft and collision with certain restrictive provisions. The association found itself helpless to prevent the licensing of these dealers under the law as it now stands. Mr. Cowles does not believe that the licensing of 100 dealers has worked a hardship on anyone up to the present time. He recommended, however, that appropriate steps be taken at once for the revision of the existing licensing law.

Wants Full Time Manager

Mr. Cowles said that 16 state associations now have full time managers and 10 have part time managers. With the exception of New Haven, which has a system of its own for collecting dues, the majority of Connecticut members are coextensive with their local boards. He said that the incoming administration should take up the question of revising dues. He believes the time has come for the employment of a full time manager. Such a man, he said, should be able to increase the membership materially.

Mr. Cowles said that nothing has been accomplished so far toward bringing about an intelligent placement of insurance on state property. Comptroller Zeller recommends that the Connecticut agents propose a law for passage at the next session which would make it mandatory for him to place the state insurance on a given plan whereby the majority of agents would participate in the division of commissions.

David A. North Gave Report

David A. North of New Haven, immediate past president of the National association, told about the public relations program. J. R. Tiffany of New York City, general counsel National Smaller Business Men's Association, gave an address.

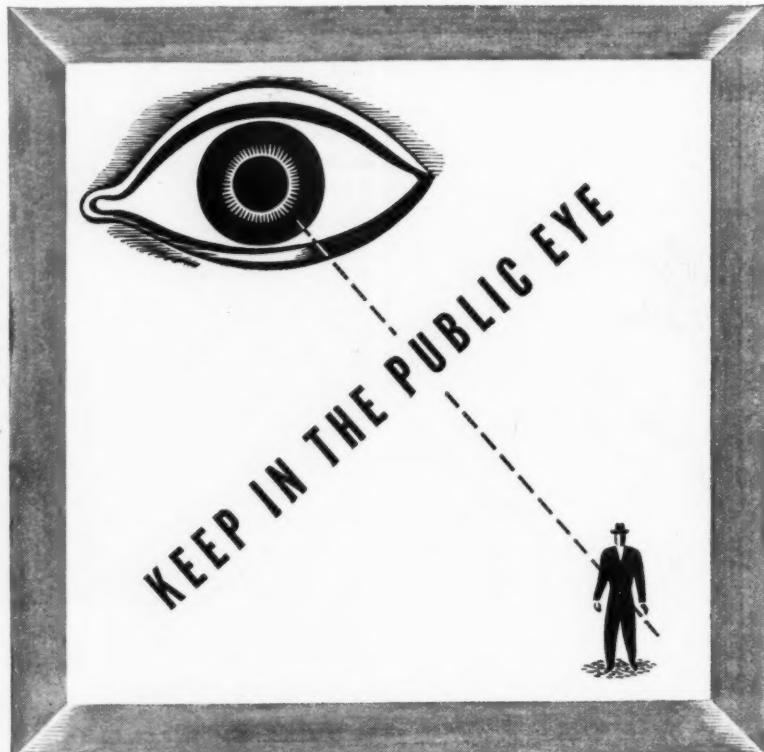
There was a quiz program conducted by Dean L. J. Ackerman of the School of Business Administration, University of Connecticut. Those participating were Special Agent H. B. Ward of the Boston for fire insurance; J. C. Davison, Hartford, manager Glens Falls Indemnity, for casualty, and R. O. McKenzie, Hartford, manager Fidelity & Deposit, for surety. At the banquet Commissioner Allyn of Connecticut spoke as did E. E. Chase of Portland, Me., president of New England Council. Governor Baldwin brought greetings from the state at the afternoon session.

Allyn Makes Ringing Talk

A ringing declaration against federal interference in the insurance business was the theme of Commissioner Allyn's address at the Wednesday evening banquet.

"You and your way of life are threatened by powerful forces," Mr. Allyn said. "These forces are operating within the government that we maintain in the faith that it is our joint protection. A determined effort is under way to socialize our economy, to bring the great business of insurance under the deadening control of the federal government."

This week the so-called Lea bill is due to be voted upon in the house, he said. State Aeronautics Commissioner Lockhart is to be commended for his vigorous denunciation of this bill. Congressman Miller has wisely expressed his unqualified opposition to this bill, Mr. Allyn added. This vicious bill is a startling example of bureaucratic philosophy. Among other indefensible encroachments upon states rights to regulate their own affairs is a provision that the federal administrator would have power to regulate and investigate insurance companies issuing aircraft policies. He urged agents to defeat this bill. "If these forces prevail," he said, "the insurance agent will follow the passenger pigeon and the buffalo into oblivion, for there can be little doubt that the success of the present attack upon insurance by the attorney-general of the United States would eventually lead to the elimination of the entire agency system."



Now is the time to draw attention to yourself, if you've any desire to get your share of the tremendous business placed annually by public and charitable institutions. This is the time of the year when such organizations make up their new budgets. Now is the time to go after their accounts.

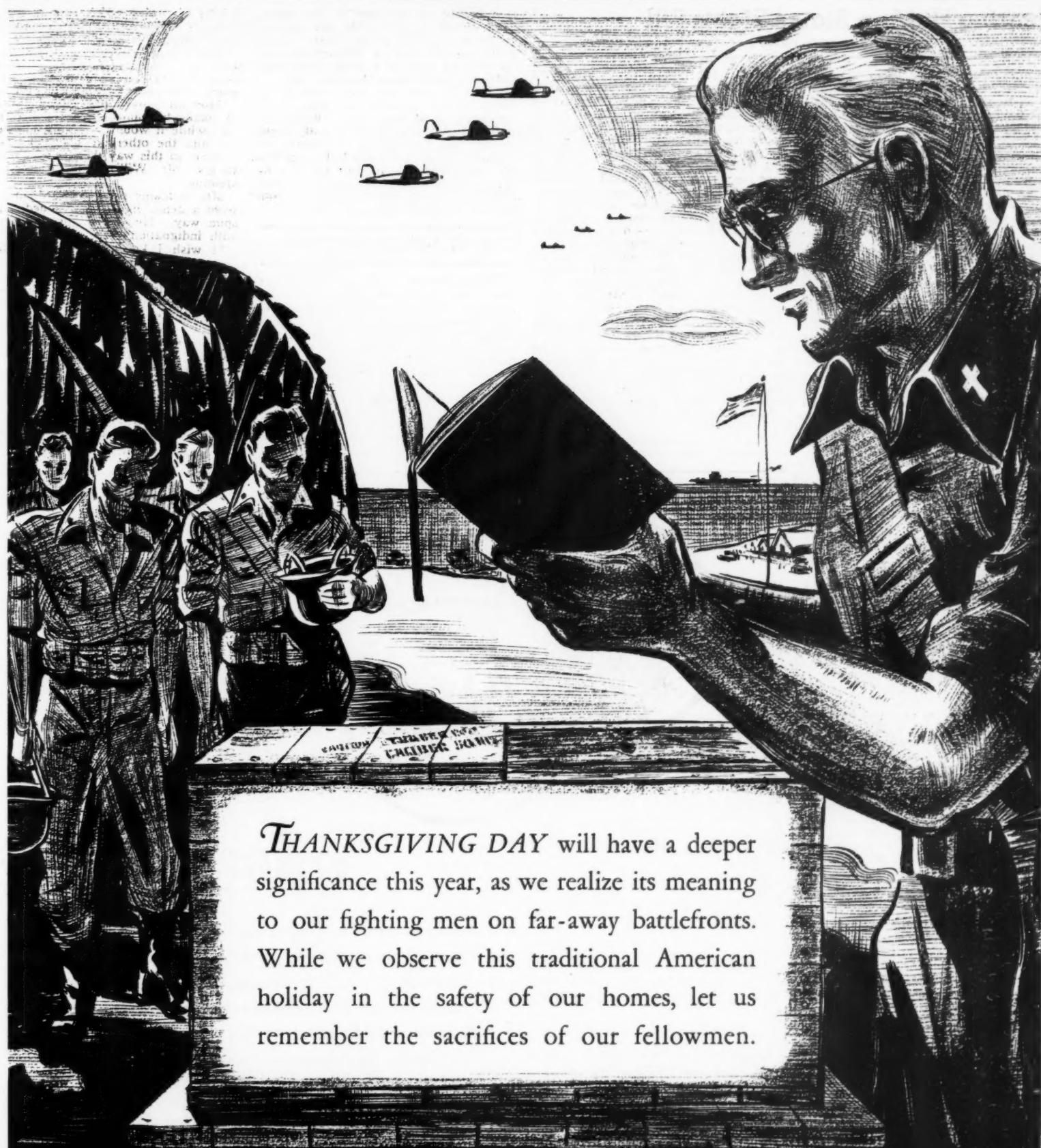
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THANKSGIVING DAY will have a deeper significance this year, as we realize its meaning to our fighting men on far-away battlefronts. While we observe this traditional American holiday in the safety of our homes, let us remember the sacrifices of our fellowmen.



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The North River Insurance Co.

Organized 1822

Westchester Fire Insurance Co.

Organized 1837

The Alleghenia Fire Insurance Co. of Pittsburgh

Organized 1868

Richmond Insurance Co.

Western Assurance Co., U. S. Branch

British America Assurance Co., U. S. Branch

Southern Fire Insurance Co., Durham, N. C.

Organized 1836

Incorporated 1851

Incorporated 1833

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Hearing Held on States Rights Bill

(CONTINUED FROM PAGE 3)

goes even further and takes the position that the total investment income should be reckoned with.

At the hearing last week Biddle asked to be permitted to complete the reading of his prepared statement before questions were asked but the senators and congressmen insisted upon breaking in and these exchanges created the drama of the day for the gallery. The Senate judiciary committee room is small and it was jammed to the door with spectators, most of whom were prominent insurance men.

Of the congressmen and senators present only one, Representative Celler of Brooklyn, allied himself with Biddle. He frequently asked questions that made the attorney-general purr. He seconded a good many of Biddle's observations. At one point he even got to be too enthusiastic a fan. He alluded to some statement about the influence exerted by life insurance companies in railroad receiverships and suggested that Biddle incorporate that situation in the insurance case. Biddle expressed interest but remarked that he had to draw the line somewhere.

Summers Questioning Cuts

Judge Hatton Summers, chairman of the House judiciary committee, did some of the cutest questioning of the day. He is soft spoken, has a pleasant southern drawl but he is determined and he would not drop a line of inquiry until he got a straight answer from Biddle. He kept asking for instance whether there would be any limitation upon the power of the states to regulate insurance if Mr. Biddle should prevail and should get from the Supreme Court a decision that insurance is commerce. Biddle appeared to be pretending to misunderstand the question but Summers pressed that line of inquiry, saying: "I must be unfortunate in the way that I phrase my questions because I don't seem to get the answer that I want." Finally Biddle ventured the opinion that the states then could not pass a type of law which he characterized as permitting insurers to sit around the table to establish rates and apply sanctions upon one another and upon agents to maintain those rates.

Congressman Hancock asked how rating bureaus would be affected.

"That depends upon the statute, the rating bureau statutes are all different," Biddle declared. "If it permitted the rating bureaus to permit the companies to fix their rates and provided that the companies would have to stick to those rates in interstate commerce, I don't think the state could do that, but I don't think the states have tried to do it."

PRAISE FOR TEXAS

Biddle at various points made contemptuous reference to the type of state rate regulations that exist, reserving praise only for the Texas system. Several of the senators and congressmen apparently saw in these references a contradiction of the assertion of the Department of Justice that the anti-trust prosecution has no purpose beyond eradicating alleged abuses which violate the Sherman act. Senator Ferguson asked at one point, for instance, whether it is the province of the attorney-general to pass judgment upon the efficiency of state regulatory acts. Biddle had just made some reference to the "inadequacy" of such laws. Biddle replied that he was not criticizing the rate laws but rather was condemning the fact that in many states there are no rating statutes.

Senator Ferguson of Michigan asked Biddle whether he was advocating federal regulation of insurance to which the attorney-general replied that he has nothing of that kind in mind beyond the belief that the provisions of the

anti-trust law apply to insurers. "I have not advocated federal regulation nor do I," he said. Senator Bailey of North Carolina declared that if Biddle prevailed, insurance will be held to be commerce and congress could then prohibit a state from enacting a stabilization program. That would open the door for congress to regulate insurance. Biddle declared that that is a correct statement and although he is not advocating federal regulation neither is he advocating closing the door to congress to enact insurance legislation.

Recalling Biddle's statement that he has nothing in mind beyond the lawsuit, the gallery lifted its collective eyebrows when Biddle stated that what congress should do is to conduct a complete and thorough investigation of insurance companies, rate regulation statutes and variation in rates from state to state. Upon the facts developed in such an investigation, he declared, congress could intelligently decide what regulatory system should be adopted.

Judge Summers made this very telling observation:

"If we follow the policy of having the government take over whenever there

is a failure on the part of the states, there would be very little left for the states to do; but if the states would prowl around here in Washington and see how we operate I think they could pick up a good deal of business too."

Biddle at one time said that all he wants is for congress to refrain from legislating until there is a decision in the S.E.U.A. case. That, he said, would be the sporting thing. Congressman Walter replied that it would be sporting for the Justice Department to let congress establish its own policy before pressing the Supreme Court to "change the law as we understand it to be."

E. L. WILLIAMS APPEARS

The appearance of E. L. Williams of New York, the new president of the Insurance Executives Association, before the committee in the closing minutes of the hearing was a dramatic episode. After Biddle had completed his statement, Congressman Hancock stated that every one had heard the infamous charges of Drew Pearson, Marshall Field's PM newspaper in New York and Walter Winchell of a \$700,000 insurance company slush fund in connection with the states rights bill. Biddle broke in before Hancock had finished

making his point which was that Mr. Williams should be invited to speak to those charges before the committee.

"That's very interesting," Biddle said hurriedly. "I hadn't heard a thing about it. Do you want us to investigate it? We would be pleased to do so."

After this interruption, Mr. Hancock did make his point and Van Nuys said that while it would be dignifying Pearson and the others to take cognizance of them in this way that he was willing to give Mr. Williams the privilege of speaking.

Mr. Williams came forward and entered a denial in an impassioned homespun way. He was all but sputtering with indignation.

"I wish I knew from whence those charges emanated," Mr. Williams declared. "So far as Drew Pearson is concerned, I don't think I can add anything to what the President of the United States has already said, that he is a liar. Not only is there no \$700,000 but there is not a penny of a fund raised for this bill. There is no assessment against insurance companies, no special assessment, either as a slush fund, or a counsel fee, or as a public relations fee."

"So far as the charge of my being a lobbyist is concerned, that is a rela-

(CONTINUED ON PAGE 22)



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AS SEEN FROM CHICAGO

TO CELEBRATE 50TH YEAR

Conkling, Price & Webb, Chicago class 1 agency, will celebrate its 50th year at a golden anniversary dinner in the Union League Club Nov. 16. It will be preceded by a cocktail party. Lew H. Webb of the firm will be toastmaster. A number of company officials are expected to attend. C. P. & W. has represented London Guarantee for 50 years and Fidelity & Deposit for about 35 years. The actual date of the founding was Nov. 21, 1893. There will be a luncheon in the office for the staff Nov. 16, including underwriters and women employees. Clients, brokers and agents doing business with C. P. & W. will attend the dinner.

NOW PART-TIME INSTRUCTOR

Fred F. Volberding, engineer at the Cook County Inspection Bureau, has become a part-time instructor in the fire protection engineering department at Illinois Institute of Technology. He will continue in his position at the Cook County Inspection Bureau.

SPEAKERS FORUM RESUMES

The Exchange Speakers Forum of Chicago started its 10th year. Meetings are held Tuesdays on the sixth floor of 166 West Jackson boulevard. The meeting room is contributed by the United States Fidelity & Guaranty. R. E. Baker, Hartford Accident, is the critic. He founded the forum and has been its motivating spirit.

REGISTRATION FOR COURSES

The Chicago branch of the Insurance Institute of America which is conducting the insurance courses has registered about 200 students. Chicago leads the country numerically in this direction. New York City and San Francisco have gone backward. Philadelphia and some other points have given up courses, so to speak, because of lack of interest. In Chicago a number of women have registered to take the courses.

NAPIER & CO. ANNIVERSARY

R. A. Napier & Co., well known Chicago agency, celebrated its 50th anniversary this week, giving a buffet luncheon Wednesday. R. A. Napier, head of the agency is a native of Montreal and went to Chicago from that city in 1885. His first experience was a clerk in the western department of the old Dwelling House of Boston. He formed a partnership with the late Hugo Dalmar on Nov. 3, 1893, as Napier & Dalmar and continued until 1900 when the partnership was dissolved. Mr. Napier then formed his own organization under its present name. He is president and takes an active part in the business.

George R. Bowman is vice-president, having been associated with Mr. Napier for 45 years. He is immediate past president of the Chicago Board. Richard F. Napier, son of the founder, is secretary and treasurer and has served the office for 20 years. H. F. Liebrock, vice-

president, has been connected with the office for 19 years. It is one of the substantial, progressive offices in Chicago. Mr. Napier is one of the ardent peony growing specialists in the Chicago district.

BROKERS REELECT OFFICERS

The slate in the Insurance Brokers Association of Illinois went through as predicted. Directors in their annual meeting reelected the officers, who are: President, R. H. Johnson, Transportation Underwriters Agency; first vice-president, J. B. Parker, Mack & Parker; second vice-president, George T. Scully, independent broker; secretary, L. W. Lindquist, of Boyle, Flagg & Seaman; treasurer, George A. Seavers, of Marsh & McLennan.

CHICAGO FIRE RECORD

There were 841 fires in Chicago in October, a decrease of 38.1% from October a year ago, according to the Fire Insurance Patrol. This was the fifth consecutive month to show a decrease from the corresponding month of last year. The October decrease was the second largest for any month this year, being exceeded only by the 44.06% in March. The first 10 months 6,386 fires were reported. This was an increase of 711 or 10.91% over the corresponding period last year. The largest damage caused by one fire occurred Oct. 18, at 3000 West Madison street, where the loss was \$20,000. There were three fires with losses of \$15,000 and one of \$13,000.

YORKSHIRE NAMES WOMAN SPECIAL

Miss Evelyn E. Reidenbaugh, who has been in charge of the Pittsburgh office of Yorkshire for the past three years, has been assigned to field duties

and will serve as special agent in western Pennsylvania with headquarters in the Columbia building, Pittsburgh. She is the first woman special agent of Yorkshire.

Speakers Listed for Buyers' Session at Cleveland

NEW YORK—The American Management Association insurance conference in Cleveland Dec. 1-2 will be held at the Hotel Statler. The conference, arranged under the direction of W. F. Lund, United States Rubber Company, vice-president in charge of A. M. A.'s insurance division, will analyze insurance trends produced or given impetus by the war and generally unanticipated by the insurance world when the war began.

Subjects that will receive special attention include self-insurance for the medium-sized company; new applications of surety bonds; insurance in a postwar world; the new workmen's compensation rating program; establishing insurable values; adjustments of losses; a practical insurance program for industry.

Among the speakers will be Mr. Lund; P. A. Zimmerman, assistant secretary Tower Rating Bureau; W. D. Winter, president Atlantic Mutual; Clayton G. Hale of the Hale & Hale Company agency, Cleveland; J. R. Blades, insurance consultant, New York City; William Leslie, general manager National Bureau of Casualty & Survey Underwriters; A. E. Redding, assistant secretary Aetna Casualty; H. L. Jamison, president H. L. Jamison & Co., New York City; R. F. Dunphy, president Appraisal Affiliates, Inc., New York City; W. G. Ball, chief adjuster Associated Factory Mutuals; Allen C. Guy, manager Western Adjustment, Columbus, O.

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NEWS OF FIELD MEN

Inspections to Get Under Way in Conn., Allyn Says

Commissioner Allyn, speaking before Connecticut Field Club at its meeting in Hartford on the state war inspection service and the formation of committees to handle the work, announced the appointment of S. Gray Tracy, special agent Connecticut Fire and president of the Connecticut Field Club, as state director of the inspection service. The associate director has not been announced.

Mr. Allyn took exception to inferences to be drawn from statements of Attorney-general Biddle before Congressional committees regarding rate making in Connecticut and other states. He announced he had just telephoned Senator Van Nuys that "the present laws and practices adequately safeguard the interests of the state of Connecticut, and I am opposed to the assumption of federal control as being unwarranted, unnecessary and ill advised."

Joseph Maurice, supervisor of licenses of the insurance department, spoke informally.

Kansas Pond Observes 20th Anniversary

The Kansas Blue Goose observed its 20th anniversary with a splash at Topeka following the annual convention of the Kansas Association of Insurance Agents. Russell N. Colvin, American, most loyal gander, presided at the dinner, where past most loyal ganders were honored. All but six of the 20 attended.

Candidates initiated included E. M. O'Callaghan, treasurer; A. C. Reed, chief underwriter, and Lloyd E. Morgan, hail special agent, all of Preferred Fire, Topeka; Tom T. Lilly, Home special agent, Topeka; and by flight, M. E. Butler, North America, from Oklahoma; Al C. Schmucke, Hartford Fire adjuster, from Illinois; George E. Erickson, New Hampshire, from Kansas City; and Lawrence E. Ramsey, Western Adjustment,

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from St. Louis. V. E. Herbert, Firemen's, headed the initiation team, presenting a live blue goose which Mr. Lilly "sold." Harold F. Kummerow, marine supervisor of Home, St. Louis, was a guest.

Special recognition was given Harry T. Stephens, retired state agent of North America, honorary life member and a past m. l. g., and H. O. McIntosh, Hanover, selected as the outstanding gander of the pond for 1942-43.

Anthracite Field Club Told About Murray Work

The monthly meeting of the Anthracite Field Club was held at Scranton, Pa. William Curnow, public relations department manager of the Murray Corporation, whose bomber wing plant in Scranton is rapidly nearing completion, spoke. Actually a portion of the huge building is already in use, temporary walls having been erected, with heat ingeniously supplied by steam from an old D. & H. locomotive. Wings and other parts for the famed Flying Fortresses and P-47 Thunderbolts will be produced and also for a new super-bomber termed the B-29.

The application of Clayton F. O'Neill of Philadelphia for membership was acted upon favorably.

P. J. McLemore Named by North British in Texas

P. J. McLemore has been named special agent for south Texas by the North British group, succeeding the late John H. Calhoun, who covered the territory for many years. Mr. McLemore has been southwest Texas special agent for Cravens, Dargan & Co. He will continue to maintain his offices in San Antonio, moving to the Maverick building. The North British group's Texas department headquarters are in Dallas in charge of Manager C. J. Williams.

Besch Named by Eagle Star in Iowa and Nebraska

Otto R. Besch, Des Moines, has been appointed state agent for Iowa and Nebraska by Eagle Star, succeeding Robert M. Byrne, who resigned to become vice-president of the Omaha Insurance Agency, Omaha. Mr. Besch has been special and then state agent in Iowa for the Firemen's group for five years. He graduated from Armour Institute's fire protection engineering course in 1928 and for 10 years was in the general and sprinklered departments of the Iowa Insurance Service Bureau.

Humphrey Transferred to Kansas by Phoenix

Frank M. Humphrey has been named state agent in Kansas by Phoenix of Hartford. He succeeds George L. Hampton, Jr., who is reporting to the naval training school at Tucson, Ariz. Mr. Humphrey started with the western department in 1924, later serving in the automobile and inland marine departments at the home office. For four years he has been field man in Connecticut and western Massachusetts. He will be located in the Bitting building, Wichita.

Paxton Elected President of So. Cal. Underwriters

LOS ANGELES—Marshall W. Paxton, resident vice-president of Edward Brown & Sons, was elected president of the Southern California Fire Underwriters Association at the annual meeting. Other officers are: Vice-president, Paul Ragan, Hartford Fire; secretary-treasurer, Alton P. Stich, Springfield; executive committee: C. I. Buckman, Hinchman, Rolph & Landis; Joseph Gehrig, Deans & Homer; E. E. Harris, National Fire; A. C. Heriot, Providence Washington; R. J. Newell, Great Amer-

ican; P. J. Priaulx, Richards & Co.; R. S. Robertson, Home; S. L. Harrington, Edward Brown & Sons; A. N. Bushnell, Jr., Fireman's Fund; A. M. Schneider, Springfield; C. E. Currey, Providence Washington, and E. W. Dunn, Deans & Homer.

Vincent S. Kerans, state agent Corroon & Reynolds, retiring president, reviewed his administration, and urged that the successful fire prevention course given during the year be continued. Secretary-treasurer E. E. Harris reported. A. N. Bushnell, Sr. installed the new officers.

Gus M. Wise Is Honored

The Nebraska Blue Goose held a meeting in Omaha honoring Gus M. Wise on his 25 years service as an officer of the order. E. A. Reed, St. Paul F. & M., most loyal gander, presided. T. G. Lin nell of Minneapolis, grand supervisor, was present and gave a talk. Mr. Wise was presented a memento by the pond, containing names of members, including those in service, and autographed by 70 attending.

Stevenson and Cooper Resign

James E. Stevenson, manager of the Wichita office of the Rain & Hail Bureau, and John Cooper, special agent there, have resigned. Mr. Stevenson

has returned to Arkansas to care for his aged parents, and Mr. Cooper is entering another business. Mr. Stevenson has been with the bureau since 1923 and Mr. Cooper since 1925.

In all probability, successors to the two men will be appointed by the Rain & Hail Bureau from its present forces.

Ohio F. U. A. Meets Nov. 9

The Ohio Fire Underwriters Association will meet Nov. 9, one week later than usual. William S. Bucklew, deputy state fire marshal, will speak on the part that field men can play in the Ohio mutual aid program.

Indiana Pond Dinner Nov. 22

The Indiana Blue Goose is arranging for a dinner meeting and initiation in Indianapolis, Nov. 22. A number of goslings will be given their first swim. E. P. Ressler, National Fire, is most loyal gander, and J. W. Byrne, Concordia, is chairman of the committee on arrangements.

Breckon in Salt Lake City

At the October meeting of the Intermountain Fire Underwriters Association in Salt Lake City, J. T. Breckon, assistant director of the Business Development Office, San Francisco, gave a review of public opinion as revealed by



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polls taken by the Curtis Publishing company and the American Newspaper Publishers Association. He also reviewed the material available for sales promotion programs. Mr. Breckon used charts in demonstrating the poll results.

Cal. Blue Goose to Initiate

LOS ANGELES — The California Blue Goose at its November meeting will initiate a large class. The San Diego Puddle is expected to send five candidates. Howard A. Reynolds, Home, San Francisco, most loyal grand gander, is slated to attend and deliver the charge.

Minn.-N. D. Interstate Inspection

Governors Thye of Minnesota and Moses of North Dakota and the insurance commissioners of both states have been invited to the interstate inspection of Grand Forks, N. D., and East Grand Forks, Minn., Nov. 17-18. It is expected to draw the largest gathering of field men in several months. R. E. Verner, Western Actuarial Bureau, Chicago, will be the main speaker.

Agnew San Francisco Speaker

Frank J. Agnew, public relations counsel for the National Board in the eight western states, addressed the San Francisco Blue Goose Monday on "Federal Anti-Trust Legislation." Bert Levit, insurance attorney, presided.

Discuss Building Construction

At a luncheon meeting in Newark, the New Jersey Special Agents Association continued its discussion of "Internal Protection in Buildings." It is planned to continue these educational discussions throughout the season.

Ward with Equitable F. & M.

Equitable F. & M. has appointed Stetson Ward special agent for Connecticut

and western Massachusetts, making his headquarters at the home office in Hartford. Mr. Ward comes from the agency ranks.

Mountain Field Club Elects

MANCHESTER, N. H.—The Mountain Field Club at its annual meeting this week elected these officers: President, Fred E. Stanton, Great American; vice-president, Robert F. Babcock, Fireman's Fund; secretary, Wallace N. McKay, America Fore; treasurer, George Hazel.

All are new officers except Mr. Hazel. Col. D. D. Carlyle explained briefly the operation of the state war inspection service in which members of the field club have been invited to aid by the state defense council.

McKinley to Royal-Liverpool

Thomas R. McKinley, former local agent in southern California, has been appointed special agent of Royal-Liverpool with headquarters in Los Angeles under Regional Manager C. L. Larson.

Seaman John Hull, son of State Agent John Hull of America Fore, was a guest at the meeting of the Iowa Blue Goose. He has been stationed on the west coast and was home on a furlough.

D. K. Finley, who is associated with the safety movement in Columbus, will address the Ohio Stock Fire Insurance Speakers Association in Columbus next Monday. This week Allen C. Guy, Columbus manager of the Western Adjustment, discussed the new New York fire policy.

The Kansas Fire Underwriters Association met at Topeka following the Kansas Insurance Agents Association convention. John G. McFarland, Rockford, Ill., agency superintendent American of Newark and former Kansas state agent, was a guest.



J. Raymond Berry, (left) general counsel National Board, speaking before the Indiana Association of Insurance Agents' annual meeting; Commissioner Viehmann of Indiana, Congressman Hubert S. Ellis, former secretary of the West Virginia association, and Ray Murphy, assistant general manager Association of Casualty & Surety Executives.

Security Group Stresses Two Marine Coverages

The Security of New Haven group in its November sales promotion of coverages for agents stresses parcel post and transportation types of insurance that would reduce assured's insurance costs, save them time and give more coverage.

Because of the war far more busi-

nesses must depend on the public shipping services than before. The new sales promotion campaign suggests two letters, one on each cover, offers different folders to go with them, provides an attractive poster for the window or wall, and offers a supply of two-color blotters and a newspaper mat, both illustrated with a cartoon.

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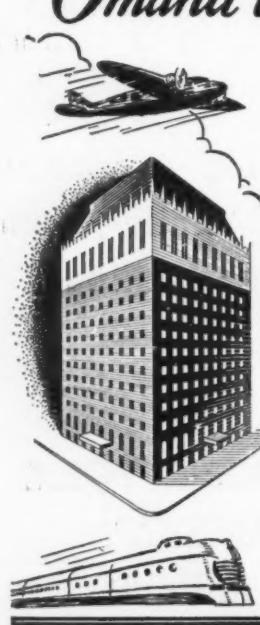
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Loyalty Group Coverage and Service

Calls for Meeting Buyers' Needs

(CONTINUED FROM PAGE 1)

sive, he said he meant very broad contracts, even "all risk" coverages where feasible and not so called comprehensive policies which are nothing more than a broadening of one or more collateral coverages. He said he referred to the type of contract that the inland marine market has been encouraging, a cover that places the usual type of loss on the broad shoulders of the insurance company and not in the slot between two named perils.

Advantages of Broad Policies

The broadening of coverage simplifies the understanding of the contract by the purchaser, he said. Broad policies eliminate the necessity of assured constantly keeping in mind the exact technical meaning of a group of individual contracts having many variations and reduce the handling expense on the part of buyer, seller and companies. Where the so called "all risk" forms can be issued, assured is certain that all losses are covered except those which have been clearly excluded by the use of language entirely comprehensible to him. The comprehensive forms are flexible and can be made to conform to the individual requirements of the buyer, he said.

Broadened forms of insurance have sales appeal, thus giving an opportunity to improve the already excellent record of insurance agents and brokers in providing protection to the buying public, he declared. One of the most important advantages is that a broad all risk policy can be sold more cheaply than the available individual contracts providing less coverage.

In setting up the machinery to achieve more comprehensive contracts, Mr. Bowersock said, it would not do to drop the bars separating one class of insurance from another because this would result in a mad scramble for business with underwriters delving into fields in which they have no experience. The result would likely be chaos, he said. The answer is for agents, insurance departments, and companies to use their ingenuity in providing a channel through which new forms of insurance can be handled subject to reasonable control. One proper channel, he said, for such development is the inland marine departments of the companies. Even though a few organizations today do not have facilities for writing this class of business, he does not believe anyone would oppose establishment of some scheme which would permit those few companies to share in this activity under proper safeguards.

Laws Should Be Liberalized

Laws of those states which are restricted or ambiguous to the writing powers of marine companies should be amended to grant authority at least equal to that provided by the laws of the more progressive states, he said. These laws should further provide for writing of new classes of business by the inland marine departments of companies in any state when properly approved by the insurance department of that state. The companies should then sign a voluntary agreement to write only such new classes of business in their inland marine departments as have been authorized by state and to submit to a committee representing the signatories to the agreement any new forms of insurance, which in the opinion of submitting company should be sold to the public at large, he suggested.

This committee, he said, should truly represent the business as a whole and not divisions of it. Instead of having individual representatives on the committee reflecting the underwriting views and desires of casualty companies, marine and fire departments, it would be better to have representation by groups, that is, individuals representing fire, casualty and marine groups of compa-

nies and of fire and marine groups, and of marine only offices that enjoy sole underwriting powers for one or more companies. This committee would have the duty of approving of the writing of classes submitted to it providing such classes of business meet certain basic requirements demonstrating a real buyer's need, he said.

Big Job But Essential One

Mr. Bowersock said he is not overlooking the tremendous burden which would be placed upon such a committee. On the other hand, the result of the failure of this or some other scheme to meet present buyer's needs cannot be overlooked either. If a do nothing attitude is insisted upon because the problem is one that cannot be readily solved, the insurance business will be forced into the ridiculous position of fighting against meeting the needs of the buying public in a liberal way and will await a time when pressure will cause a change of such proportions as might well destroy the insurance structure as it is known, he declared. To protect a status quo position the business must veer toward bureaucracy in order to provide assistance supporting an impossible structure. It means "standpatism" which will result in decadence and rot and finally cause the collapse of an enterprise originally designed to serve and take risks, he said.

Buyers are asking for cooperation from insurance, he said. The market is available as practically all company groups can provide the coverages. The only real problem, he said, is that of transferring in an orderly way individual classes of business as a part of a broad contract from one or more groups of underwriters to another group controlled in most cases by the same management. Some might want to muddy the waters, he said, by saying that a change of this nature will involve many complicated and technical problems. But these problems are not insurmountable.

Many Western Groups Back Bailey-Van Nuys Measure

Urging adoption of Congressional insurance bills the Brokers Exchange of San Francisco has adopted a resolution declaring application of the anti-trust laws to fire insurance would result in a chaotic condition prejudicial to interest of those in insurance and detrimental to the insuring public. Members are to contact congressmen in support of the measures. Similar resolutions previously were adopted by the California Association of Insurance Agents, Special Agents Association of Central, Northern California, California Casualty Fieldmen's Association, Southern California Fire Underwriters, Casualty & Surety Association of Southern California; the non-board group at Los Angeles, Granges of Washington and Idaho, and the Los Angeles Insurance Exchange.

Superintendent Scheuerle of Missouri has endorsed the measures.

As a result of Attorney-general Biddle's reported statement at last week's committee hearing that there are 25 states having no state regulation of insurance, including Arizona, Utah, Oregon, Nevada, Montana and California, wires were sent by the insurance commissioners of these states to Senator Van Nuys correcting Biddle's statement and confirming there is adequate regulation.

Loyalty Issuing Service Sheet

The Loyalty group is preparing to issue a publication for its employees that are in uniform. It is to be called "General Insurance News," abbreviated to "G I News." The editor is T. W. Budlong, the company advertising manager, who is presently also engaged in marine underwriting. Three Loyalty group men have died in combat.

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Kansas Agents Hold Convention

How to Get More Commissions Is Lively Topic

Mays, Leen, Freeze and Dow Conduct Panel on Selling Ideas

TOPEKA—Bridging the gap in commissions is a consistently vital topic to agents, and Milton W. Mays, director of the Business Development Office, New York, and his three assistants gave those attending the convention of the Kansas Association of Insurance Agents here a number of practical ideas which they can take home and use.

Appearing with Mr. Mays were Paul Dow, manager of Hartford Accident at Kansas City; George Freeze, state agent of St. Paul Fire & Marine, Wichita, and P. J. Leen, superintendent of the marine division of Fireman's Fund in the western department, Chicago.

Mays Reviews Situation

Mr. Mays said the constant reduction in rates means lower commissions. He pointed out that many customers were going to war and that several businesses were drying up.

He feels that there is a lack in many agencies of a constructive selling program and this is the biggest single factor that an agent can control. There are no government restrictions aimed specifically at insurance, and people have more money to buy insurance.

The recent survey of the Curtis Publishing Co. brought out the fact that there is no actual hostility in the insurance buying public toward the insurance business, he said. The survey showed that the 80% of the public prefers to buy insurance through local agents. Many people are underinsured, he said, which indicates that there is a tremendous market if agents go out and ask for it.

Freeze Stresses Values

There are a number of opportunities to bridge the gap in commissions, Mr. Freeze said. Perhaps the most important is the increase in values. It is imperative for the agent as a service to assured to call attention to these increases. The agent should watch the coinsurance and check values on public properties to ascertain whether proper amounts of insurance are carried, he declared.

Mr. Freeze believes household goods offer a good field for increased coverage and urged the use of household inventories, stating that they have proved very helpful.

TESTED IDEAS

Surveys, he said, should be brought up to date, that many changes have been made, some firms operating on an entirely different basis than previously. The new dwelling form is now a very attractive one, he said. He urged agents to sell insurance on trees and shrubs and to push rental value and unearned premium insurance. The new dwelling form, he said, can be used nicely with the new burglary policy put out by the casualty companies. Extra expense insurance should also be sold.

(CONTINUED ON NEXT PAGE)

Kansas Sessions Have Many Interesting Sidelights

At the dinner of the past presidents, which is a regular feature of the Kansas agents' meetings, 10 were on hand: Charles Blakely, Jr., Topeka; F. A. Gould, Arkansas City; Alex Case, Marion; Jas. D. Gilmore, Independence; Victor Henry, Wichita; Laurin Jones, Dodge City; Will S. Thompson, Hutchinson; Bert Mitchner, Hutchinson; Harry Tinklepaugh, Kansas City, and Holmes Meade, Topeka. Mr. Mitchner is Kansas state director of revenue and taxation.

R. D. Voss, district manager of the Stock Company Association, Omaha, explained the new rates and forms which were effective Sept. 1 under HOLC insurance program, at a group luncheon.

The printed program was donated by the Kansas City, Mo., office of the U. S. F. & G. O. R. Leeds, manager, and W. W. Hershe, state agent, were in attendance.

The group luncheon on farm insurance was conducted by E. H. Fikes, Topeka, farm state agent of Home, and Charles E. Sheedy, Topeka, special agent, Aetna Fire.

Ladies attending the Kansas convention were entertained at luncheons Thursday noon. About 75 insurance women, with the Topeka Association of Insurance Women as host, heard Milton Mays of the B.D.O. discuss how they can carry on the insurance business if all eligible men enter the armed forces. He told of the educational program and the possibility of organizing study groups for their benefit. He stated that over 1,500 women are now engaged in the insurance business in Kansas. Wives of local agents and field men were guests

of the Topeka Insurers who had asked the ladies of the Blue Goose auxiliary to act as hostesses. Mrs. C. E. Stiehl, president and wife of the London & Lancashire state agent, headed the committee in charge. Nearly 50 attended. Bridge and theatre parties followed.

Visitors from Omaha included John Morrison, general agent; Wells King, Royal-Liverpool; and Pete Jeffords, National Union.

Of the committees, nominating was headed by Laurin W. Jones, Dodge City; resolutions by Alex Phannenstiel, Hays; Priest cup winner by George Stoskopf, Baxter Springs, and Rosse Case cup by George McAnany, Kansas City.

The attendance prize winners were Frank Priest, Wichita; W. W. Hinds, Marysville; Roscoe C. Rowse, Topeka; W. A. Corrigan, Wichita; C. E. Funston, Winfield; Mrs. Elvira Murray, Kansas City; Charles Schoonover, Jr., Garden City, and J. S. Jensen, Fire Association.

What was scheduled as a hot dutch lunch turned out to be a sumptuous fried chicken dinner, provided by Kansas City Fire & Marine. O. P. Rush, vice-president, and Carl Wilkins, comptroller, represented the company.

Will S. Thompson, Hutchinson, former president of the association and now president of Great American Life, attended all the sessions.

F. J. Shields of the marine department of National Union, Chicago, who is well known to Kansas agents through his attendance at previous meetings of the association, was a visitor at this year's gathering.

W. L. Gardner of Topeka, retired state agent National Fire, received congratulations and best wishes from many of those present because of his very recent marriage.

Among the visitors were A. F. Kumerow, St. Louis, marine supervisor of Home fleet. Another St. Louisan present was Bailey T. Turner, manager St. Louis service office of North America.

John G. McFarland, superintendent of agents, American of Newark, Rockford, Ill., made the trip to Topeka. He is a former resident of Kansas. Before returning to Rockford he visited his mother, who resides at Leavenworth.

W. R. Kirk, general agent of the North British fleet, New York, who traveled in Kansas for some years, was on hand.

It was learned at the convention that Shelby Holmes, former Kansas state agent of Royal-Liverpool and later in the special service office in New York, is now in the army at Camp Upton, Ga.

Chas. B. Erskine, Clifton, who was a member of the executive committee the past year, has been suffering with a light heart ailment for several months, upon his doctor's orders did not attend the convention. Earlier in the year, Mr. Erskine established an enviable record of writing over \$1,000,000 of War Damage in his rural community.

L. J. Feeney, Chicago, assistant secretary America Fore companies, who has been present at several of the state meetings, was among the visitors again this year.

Wade Patton, Hutchinson, for 16 years secretary-treasurer of the Kansas association, who relinquished his office during the past year to become administrative officer, midwestern procurement district, war department, air corps, with headquarters at Wichita, was on hand for all sessions.

Ben Northcutt, Newton, still retains the distinction of being the biggest man at the meetings in spite of the fact that he has lost 80 pounds during the past year. He now weighs a mere 337.

V. E. Herbert, Loyalty group, secretary of the Kansas Fire Prevention Association, reported that the association has recently purchased a print of the movie, "Sixty Seconds to Safety," for local showings. The association also has the film, "Fight That Fire."

Mix Education and Business at Topeka Parley

Elect Brown President; L. W. Jones and Independence Win Awards

NEW OFFICERS ELECTED

President—Urban C. Brown, Emporia.

Vice-president—George Stoskopf, Baxter Springs.

State national director—Victor G. Henry, Wichita.

Secretary—Evan H. Browne, Jr., Kansas City.

New members executive committee—Edwin S. Nellis, Topeka, chairman; L. W. Jones, Dodge City, and I. C. Forney, Newton.

By W. A. SCANLON

TOPEKA—Instead of the regulation two-day meeting the Kansas Association of Insurance Agents this year confined its session to one day, styling it "a wartime conference." Total registration was 224, and at the banquet more than 300 were on hand.

Urban C. Brown of Emporia was moved up from the executive committee



U. C. Brown



Geo. Stoskopf

to president, succeeding Edwin S. Nellis, Topeka. Forrest R. Fair, Mankato, vice-president, who recently lost his father and whose wife is ill, asked to be relieved of further service at present. George Stoskopf, Baxter Springs, another executive committeeman, was named vice-president.

The entire program of the convention was geared to give the members helpful information on present day problems. The association strongly endorsed the Bailey-Van Nuys bills in Congress, and passed a resolution approving the work of the N.A.I.A.

Banquet Is Successful Affair

At the banquet Mr. Nellis introduced distinguished guests, including Commissioner Hobbs, Mayor Warren, Lorren Garlich, St. Joseph, Mo.; Erwin Keller, president, and George Staebler, Jr., secretary of the Topeka association, and Mrs. Nellis. Marjorie Wilson of the Meade agency, member of the executive committee of the National Association of Insurance Women, announced the winner in a city-wide drawing for a \$25 war bond for the benefit of the charity fund of the Topeka insurance women's group.

President Brown announced the winner of the Rosse Case memorial cup, awarded to the individual agent con-



VICTOR G. HENRY

democratic. There are no star chamber sessions. He said that it can never be said that any small clique or group of officers are dominating the associations these days. The report stated that the agency forces are thoroughly aroused on the matter of legislation that has been

(CONTINUED ON PAGE 21)

tributing most in fire prevention work during the year, as Laurin W. Jones, Dodge City, who won the cup last year.

Independence Wins Priest Cup

The Frank T. Priest Cup, awarded to the local board contributing most to its community in public service during the year, went to Independence, and was presented by Milton W. Mays of the B.D.O. Independence won it also in 1941.

Dr. David L. MacFarlane, chairman of the Kansas board of social welfare, was the dinner speaker.

Mr. Nellis was presented a substantial cash purse for his service as president, subscribed by his host of friends and admirers among the field men and

of the American Red Cross and treasurer of the public health nurses program in his community.

In his presidential report Edwin S. Nellis of Topeka, retiring president, said that he recently was in Washington and talked with all of the members of the Kansas delegation in Congress, and they have promised to support and vote for the Bailey-Van Nuys bills. What is significant, he said, is that others in other businesses are very sympathetic and are watching with interest the progress of the insurance legislation. They are not particularly partial to the insurance business or to agents, but they see in this struggle the counterpart of an attack that may well be made next against their own interests. Mr. Nellis presided at all sessions.

Mays Forum Popular Feature

The forum on "Bridging the Commission Gap," directed by Milton W. Mays, director of the B.D.O., was the big feature of the first session. The question and answer portion of the panel brought out many practical points in writing various lines of business in view of present day conditions.

Lorren W. Garlachs, St. Joseph, Mo., discussed the N.A.I.A. public relations program, bringing the agents up to date as of the Pittsburgh meeting.



Evan Browne



E. S. Nellis

agents. He will buy a shot gun with the money. Ray H. Priest, Royal-Liverpool state agent, made the presentation.

Records of Brown, Stoskopf

President Brown, prior to serving on the executive committee during the past year, was director of the rural agents committee. He operates the Warren agency at Emporia. He has been in the business 25 years and has been a member of the state association for 15 years. He was president of the local board at Emporia for two years and is a former president of the Emporia Life Underwriters Association. He has been vice-president of the YMCA board in his home city for nine years.

Mr. Stoskopf has been in the business more than 12 years and for 10 years a member of the state association. He is also a justice of the peace and treasurer

KANSAS CHANGES

In the afternoon there was another interesting panel conducted by L. A. Magill of the Kansas Inspection Bureau, Topeka. He was assisted by Mr. Mays, P. J. Leen, inland marine manager of Fireman's Fund, Chicago, and George Freeze, state agent of St. Paul Fire & Marine, Wichita. Messrs. Mays, Leen and Freeze participated in the morning panel.

Mr. Magill gave much helpful data on the new forms, rates and rules in Kansas. Mr. Mays explained the new New York standard fire policy, pointing out the most important changes. He believes the new policy may soon be used in Kansas.

In his report Secretary Evan Browne pointed out that many good agents are not members of the organization and asked for the help of the field men in

securing new members. He said there were still a large number of Kansas agents who have not subscribed to the N.A.I.A. public relations fund.

In discussing public relations B. J. Weldon, Wichita, said the public judges the insurance business by its agents and that fundamentals must be studied.

Victor G. Henry, Wichita, presented a resolution which had been adopted by the executive committee, changing the constitution and by-laws so as to conform with the National association designation of the state national director instead of national councillor which was voted on favorably. Mr. Henry was elected to the post.

Group Luncheon

B. J. Weldon of Wichita, chairman of the group luncheon or group study classes, said that agents must become better informed. He believes the only alternative is to get out of the business. As time goes on there will be better and fewer agents, he said.

The National association is trying to give agents a basic training, he said, and explained the N.A.I.A. educational program. Completion of the course requires study and work, he said, and if an agent is not willing to put in the necessary effort he had better not start the course. He deplores the fact that so few agents have taken the course. Too many are taking an indifferent attitude.

Agents Promise Action

He said the insurance women's organizations and employees of offices in Kansas have been studying the program but so far it has been hard to interest agents. Agents from several cities indicated their intention to do their utmost to start the ball rolling when they returned home.

B. J. Weldon, Dulaney, Johnston & Priest, Wichita, accepted reappointment as chairman of the educational committee.

How to Get More Commissions

(CONT'D FROM PRECEDING PAGE)

The real competition in the insurance business has been in the past, and will be again in the future, the competition from other lines of business for the consumer's dollar, Mr. Dow said. The agents have never had less competition for this dollar than at present. They now have the field practically to themselves. They should take advantage of this very unique situation.

Mr. Dow stressed production ideas that have been tested in the field. One of the most important is to make every motion count. When it is necessary, or important, or desirable to see a customer, he said, all the information that has any bearing on the subject should be secured. When a renewal is delivered, additional coverage should be sold. Now is the time to execute plans for assured's complete protection.

Follow-up Selling

People order fire, theft and liability coverage on their automobiles as a matter of course, Mr. Dow said. Then why don't agents sell fire, theft and liability coverage when writing or renewing the dwelling or household goods fire and windstorm policy? The new residence and outside theft policy costs so little and provides such valuable protection it doesn't seem possible the average man can resist its appeal if he is given a reasonable opportunity to consider it, he declared. The same goes for the new comprehensive personal liability policy. He suggested also personal accident and fidelity bonds. Agents can't afford to neglect automobile business.

An outstanding producer gave Mr. Dow the following sales formula: "Call upon a certain number of prospects every day after making a careful study of each individual's insurance needs.

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Make an effective presentation of your proposition; give your prospect an opportunity to buy the coverage he needs. Help him reach a decision; it's human nature to hesitate."

Mr. Dow recommended that agents use field men. They are mines of information and sales ideas. They will gladly post agents on new developments in the business; new coverages, and the sales plans used by successful producers throughout their field. Finally, he said, there is only one way to sell anything—houses, automobiles, insurance or magazines—show the prospect the product and then ask him to buy.

INLAND MARINE

There are a good many ways by which the agent can increase his premium income in the inland marine field, Mr. Leen stated. More changes are occurring throughout business and industry today than at any time during the past 25 years. The sudden influx of business under the war program has forced many plants to farm out to subcontractors a large portion of their orders, he said. The subcontracts may be for special work on certain material or for parts, or for a finished article on which the original contractor has done the planning. This creates an additional transportation hazard and a processing risk also comes into being.

The inland marine processing form is not new and in the past was used largely in the textile industry to insure material at bleachers, shrinkers and dye works but under present conditions it is finding uses in many industries. The first question for the agent to know is what liability is assumed by the processor. Unless there is a special agreement, the processor's responsibility is that of a bailee. Where the processor assumes liability, it might seem that no necessity exists for the owner of the property to insure it while in the processor's custody. However, many assured are unwilling to rely on the processor's insurance, feeling that in the event of loss that coverage might be inadequate. To handle this situation there is a contingent form granting protection to the owner if he is unable to collect from the processor.

Bailee Liability

Mr. Leen pointed out that a bailee is liable for any loss that can reasonably be shown to have been caused by his negligence. This ordinarily exonerates him from losses due to the elements, but the common law liability is very often amended or restricted by contract or agreement between a property owner and a bailee. Consequently it is necessary to inquire as to the existence of any such contracts in order to determine the exact responsibility of the

Garlichs' Talk Potent, Rings Cash Register

At the convention of the Kansas Association of Insurance Agents in Topeka, immediately following the talk of Lorren W. Garlichs, St. Joseph, Mo., on the public relations program of the National Association, an agent approached Secretary Evan H. Browne, Jr., and presented him with \$2 in cash, asking that it be added to the fund.

bailee. The most satisfactory form for all concerned is the one that covers for the account of the owner of the material while in transit to or from the premises of the processor and while there awaiting shipment, with rights of subrogation against the processor waived.

Heavy Burden on Transportation

Regarding shipments, the war has placed an unusually heavy burden on transportation facilities so that every shipment today is exposed to more hazards than stock at locations, he said. Too often after the loss it is discovered that the truckman carried insufficient insurance to take care of the requirements. The safe way is to protect the goods with a transportation policy, he said. This guarantees prompt payment of losses, covers for perils not provided under the carrier's bill of lading, and insures from warehouse to warehouse, obviating any opportunity for a slip up.

Many assured may have out in the hands of foundries such items as patterns, moulds, dies and forms to be used for casting and manufacturing of parts, Mr. Leen said. Most foundries have little or no liability for such property in their custody, except where negligence can be proved, unless they specifically assume liability. Patterns ordinarily are exposed at many locations. The best coverage is a pattern floater. Some assured will need installation floaters to cover machine tools and equipment while in transit from a main location to that of a sub-contract-

Henry's Report Reviews New Code of Principles

(CONTINUED FROM PAGE 19)

introduced in Congress to exempt insurance companies from the federal anti-trust law.

Speaking of branch offices Mr. Henry said that the branch office committee reported at the Pittsburgh meeting that questionnaires were sent to 120 local boards and 100 replies were received. Of this number New York City was the only point to imply that a new branch office had been established during the last three years. A study of the replies showed that most local boards do not seem interested in the issue.

Code of Principles

Mr. Henry referred to the new agency qualifications committee appointed at the Pittsburgh convention to draft recommendations to submit to the directors. This committee through Alfred B. White of Seattle submitted a code of 18 principles which are to serve as a guide. They are:

1. Any enactments must be in the public interest.
2. The terms agent, broker, solicitor, insurance adviser, etc. should be defined.
3. Acting without a license should be prohibited.
4. The procedure and form of application for licenses should be defined.
5. A non-partisan examining board should be provided with its duties defined.
6. Examination provisions should be stated.
7. All first time applicants for agents and brokers licenses must be examined and have the following prerequisites: (a) A minimum stated amount of insurance education, or (b) a minimum stated period of active pertinent insurance experience.
8. "Controlled business" should be de-

tor, after arrival, awaiting and during installation, and the insurance can continue until tested and accepted as satisfactory.

fined and a maximum percentage should be provided.

9. Financial or lending institutions and their employees should be barred from all licenses.

10. The use of credit to coerce the placement of insurance should be prohibited.

11. Otherwise, no attempt should be made to interfere with present licenses.

12. The authority of the commissioner to issue, renew, refuse, revoke and suspend licenses should be stated with provisions for hearings and judicial review.

13. Provision for temporary licenses should be made.

14. In general limited licenses should be prohibited (possible exception accident and health and life insurance.)

15. Agents and brokers should be required to have a definite place of business and to keep therein adequate records of business transacted.

16. All collected funds should be held by an agent or broker in a fiduciary capacity.

17. The payment or acceptance of illegal commissions or rebate should be prohibited.

18. Provision for enforcement and penalties should be stated.

Promotions in Newark Agency

M. O. Friedman and Orien M. Spaid have been elected vice-presidents of the Hollander & Co. agency in Newark. Mr. Friedman is manager of the life, accident and health departments. Mr. Spaid, who is associate director of the research and development division of American of Newark, becomes vice-president and manager of the agency.

Correction on Speth's Extraction

In the report of the meeting of the Ohio Association of Insurance Agents in THE NATIONAL UNDERWRITER last week, the name of Max Speth, Ohio examiner for the western department of America Fore in Chicago, who attended the meeting, was given as "MacSpeth." Mr. Speth and Don Campbell, credit manager of America Fore, have indignantly denied all common national origin and both requested a public correction.

LOOKING FORWARD!

Over the War Clouds Flashes a Ray of Hope!



Bitter Struggle and even Greater Sacrifices lie just ahead—but the Victory can be foreseen.

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Insurance and Insurance Agents have a place in that World—because we typify FREE AMERICAN ENTERPRISE.

To justify our claim to this place we must give the best in Service and Protection.

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Hearing Held on States' Rights Bill

(CONTINUED FROM PAGE 10)

tive term. All I can state to you are the facts. Up until the time the discussions of these bills started, with the exception of Mr. Byrd of Virginia, to my knowledge, I knew no Congressman and no Senator of the United States.

"So far as my equipment as a lobbyist is concerned, I have never been engaged one way or the other in the passage or defeat of any legislation, either in Congress or in an assembly of the 48 states.

"So far as my equipment as a lobbyist is concerned, the only things that I have are these things. I have faith in American principles, I have the constitution with me; I believe in a dual form of government; I believe in the Supreme Court and the decisions of the Supreme Court; and I know something about insurance.

"I believe that when those things are explained—and I must confess that I think the attorney-general is not informed on insurance or on the state regulation of insurance—that is my equipment, and those are my tools, if I am a lobbyist.

"To say that we are not in favor of this bill as insurance people, would be a mistake; we are in favor of this bill. It is not our bill, it is life and death for insurance, and for the policyholders of the insurance companies, and we are in favor of it.

"I take it that it is an American right—and it was so indicated by Judge Underwood in Atlanta—to appeal both to the Supreme Court and to the Congress, if we wanted to do it.

"We will meet the Department of Justice in the Supreme Court, if they want to do that, and I think that we want to meet in this respect, before this committee any questions that they want to ask us. Our books, our records, our views, are wide open.

National Board Tract

"Now so far as a lobby is concerned, there has been talk of much material sent out by the National Board of Fire Underwriters. The only material is a four-page printed memorandum. That material was sent out because from 1942, when all these charges were made against the insurance companies, the insurance business had never made a statement to its agents. When this bill came up the agents wanted to know—With all these charges against you, what is your position on this bill? They are part of our business. There are a million agents in this country. There are almost 150,000 registered agencies and they have anywhere from one agent to fifty; so it is calculated at about a million.

"We made a statement to those agents and we sent it out to you, the National Board did—and when I say 'we' it is the National Board, not my association.

"That statement was sent out and they said to the agents, 'Now if you want to make your views known to your Congressmen, you can do it.' That is the extent of the lobby. If we had wanted to have pressure put on Congress, which we haven't attempted to do, in the first place we rely on those things I told you, not any pressure, but we could have had hundreds of thousands of letters written in here, and they wouldn't be just from agents of fire insurance companies but from mutuals and life insurance agents, and chambers of commerce.

"That is all we have done in the lobby, sent out that one thing. I have talked to people who have asked me, 10 or 12 Senators and 10 or 12 Congressmen, and that is all."

Biddle remarked that the editorials that he offered in his statement did not in any way touch on or suggest any lobbying question; they were editorials written against the principles involved in the suit.

"Yes; you quoted about five or six,"

Mr. Williams said. "I could bring in hundreds of them, but I don't think we want to fight it out in the newspapers; we are appealing to the Congress and not the newspapers."

Celler said he had received many messages from agents' organizations as to whether these associations are controlled by the companies.

"The members of Congress have sent me a very large amount of literature from individuals and from agents," Biddle said. "Much of this literature is identical in form. I should think that would indicate, at least to the opposition of the bill, that that is very properly headed by the insurance companies whose interests are in favor of the passage of the bill. I think the members of the Senate and of the Congress are very familiar with that because I understand that there has been a great deal of literature in the House and in the Senate very properly setting forth the views of the insurance companies and their agents.

"I think it might interest the committee to know this, that some of the organizations included in the list, the list of these various organizations which I have, maintain lobbying committees to influence proposed legislation, and very properly, I think the companies should be represented."

LAW EXPANDED

The following exchange caused much interest:

"Don't you have the notion that more recent decisions of the Supreme Court have somewhat expanded the operation of the interstate commerce clause?" Judge Sumners asked.

"Of course I do," Biddle replied.

"Beyond what was held to be its scope at the time the antitrust law was enacted?"

"Cases expand with the expansion of life, the development of the continent with the railroads," the attorney general asserted.

"Also an expansion of the men who write the opinions, too?" Judge Sumners said.

"Certainly," said Biddle.

"But my question was whether or not the interstate commerce clause in its application has been expanded by decisions of the court, as I understand from your contention, since the antitrust law was enacted?"

"Why certainly, it has been expanded. I think there is no question about that; in view of the expanding interstate business of the country, the law expands."

"The Congress might arrive at the conclusion that the courts had stretched it beyond what they intended it to accomplish," was Judge Sumners' rejoinder.

"Certainly the Congress might repeal the antitrust law tomorrow, and I hope they won't, and I am here to say that. Of course, if you want to repeal the Sherman act, there is nothing to prevent you. Of if you want to make an exception for this great interstate flow of insurance companies under which 80% of the insurance is interstate of almost every company, there is nothing preventing Congress from doing that. I just wanted to say that I hope you won't."

Horse and Buggy Days

"But what I am trying to get at is this: If the courts have expanded the application of the antitrust provisions of the constitution beyond where it was at the time Congress enacted the law, then it might present a question to Congress as to whether or not it ought to try to bring the application back where it was at the time it enacted the law."

"Bring the application of the law back to a country which existed 100 years

ago, which is hardly the kind of country that exists now," Biddle declared.

"Wouldn't it be more orderly to endeavor to have Congress enact legislation than to persuade the Supreme Court that former decisions were wrong?" Congressman Walter interjected.

"It doesn't seem to me to be orderly when a group of men have been indicted under a criminal statute and when their case is before the Supreme Court for decision, for Congress to come in and take away that case from the Supreme Court," the attorney-general said. "That doesn't seem to me the ordinary procedure that we Americans are used to."

"Perhaps there are some of us that feel that executive branches of the government are encroaching a little bit too far," Walter said.

"I have no conception that all of you will agree with me, of course," declared Biddle.

"The remedy in that regard would be to impeach those who do the encroaching," Celler remarked.

"As we all know, impeachment is sometimes a difficult method. I think Congress has found methods which would be more successful," Biddle said.

Celler declared that Section 29 of the Marine Insurance Association Act provides specific exemption from the antitrust laws. However, the marine insurance companies did not object to regulation and control by a federal body, the Maritime Commission, or some kindred body.

"Do you think that these insurance companies who are now complaining would be willing, if they get exemption from the antitrust laws, to have some federal regulatory body, as did the marine insurance companies?" he asked.

"I am sorry but I can't answer that question. I suggest that you ask some of the representatives here of the insurance companies," Biddle declared.

Mutual Competition

Mr. Biddle was asked at one point whether the competition of mutual companies does not hold rates to a proper level. To this Biddle replied that he does not say that the mutuals do not charge excessive rates.

Mr. Biddle at one point alluded to complaints of hotel men that stock company people have "boycotted" them because they were insured in mutuals. Some of the senators remarked that they regarded that as natural business reciprocity. Mr. Biddle insisted it is a boycott.

On this question of "boycott" Senator Bailey said that for years he had followed the practice of dividing his insurance on his properties in Raleigh equally between mutuals and stock companies and he has never had the slightest trouble.

"I have never had any threats either; I can testify to that effect also, that I have never had any threats in my insurance experience," Biddle said.

"You have got just one single case and I don't think that makes a case," Bailey asserted.

"I think that is a little bit like saying that you indict a man for one single crime, and you don't bring up the cases where he didn't commit a crime," Biddle said.

"Wasn't that simply a case of fire insurance agents patronizing a hotel that did business with them? That is a natural thing to do," Congressman Hancock declared.

"I think it is a pretty straight boycott; perhaps you would have a different interpretation."

"Well, they held conventions in this city, as I understand it, and they found that this hotel wasn't doing business with 'board' companies but with mutual companies, and they went to the hotels that patronized their business," Hancock asserted.

"What would you call that?" Biddle asked.

"I would call it perfectly natural." "The cases call it boycott."

When the question of the inadequacy

of state rate regulations was under discussion Biddle was asked why the state legislators, with their power to act, had not enacted rate regulation laws that would be more to Biddle's liking. Could it not be because the public is satisfied? he was asked. To that he answered that the public is dissatisfied, judging by the complaints that he has received.

Celler at one point said that since the preamble of the Bailey-Van Nuys bills in effect says that insurance is not commerce, would it not also imply definitely that insurance companies would then be exempt from legislation concerning labor, social security and other kindred subjects.

Congressman Hancock said the bill merely refers to the Sherman antitrust act, not to the National Labor Relations Act or any other act.

"Does it say that insurance is not commerce? If it does, I suppose that it would affect all statutes, wouldn't it?" Biddle asked.

"The bill merely says that the Clayton act and the Sherman act shall not be construed to cover the business of insurance," Hancock said.

"It doesn't say anything about commerce," Ferguson asserted.

"Read the preamble," Celler commanded.

"That is not a part of the act, and will be stricken out before it comes to the House," Hancock declared.

Biddle is sharp, aggressive and adroit. He cuts a dashing figure and sartorially is perfectly turned out. He seems to be temperamentally a prosecutor.

Few guess are being hazarded by informed sources as to the probable outcome of the legislation. The Kiplinger letter the other day made the unqualified statement that the bill would not pass but most informed observers believe that it is too early to make any kind of a prognostication. Some believe that the bill will be passed but they doubt whether there would be enough votes to pass the bill over a veto if it should be vetoed. There is always the possibility that the bill might be amended so as to destroy it.

Insurance Men Present

The insurance gallery at the hearing included, in addition to Mr. Williams: George C. Long, Jr., president Phoenix of Hartford; Esmond Ewing, vice-president Travelers Fire; C. S. Kremer, president Hartford Fire; Judge B. Miller, executive secretary, and W. T. Reed, Washington manager National Association of Insurance Agents; John R. Cooney, president of Firemen's; Lloyd T. Wheeler, secretary-manager South-eastern Underwriters Association; A. V. Gruhn, general manager American Mutual Alliance; Chase Smith, general counsel of the Kemper companies; John A. Lloyd, vice-president of Union Central Life; Dewey Dorsett, assistant manager, and Howard Starling, Washington manager Association of Casualty & Surety Executives; J. Victor Herd, vice-president America Fore; J. R. Berry, general counsel National Board; Paul Hardisty, manager, and H. E. Hilton, assistant manager insurance division U. S. Chamber of Commerce; Clyde B. Smith, Lansing, Mich., former president National Association of Insurance Agents; Eugene Thore, general counsel and Howard W. Kacy, first vice-president of Acacia Mutual Life.

Cal. Educational Meetings

A joint meeting of the Watsonville, Salinas and Santa Cruz, Cal., local agents' associations will be held in Watsonville the evening of Nov. 8. Eaton W. Anderson, regional chairman of the Special Agents Association of Central-Northern California, in charge of the south coast district, has arranged a sales promotional program dealing with fire insurance coverages applicable to the owner and tenants of a hypothetical building. The same day a similar program will be presented before the Bakersfield Insurance Board, in charge of George A. Fisher, and on Nov. 9 before the Fresno Insurance Exchange with Mr. Fisher in charge.

Helpful Wisconsin Agents Gathering

Public Relations Work a Success, Thomas Says

Already Has Proved Worth in Congressional Legislation

MILWAUKEE — Because it has united the agents of the country, W. Ray Thomas, Pittsburgh, vice-president of the National Association of Insurance Agents, declared that the N.A.I.A. public relations program, although barely started, is already a success, in his talk here before the Wisconsin association meeting. Taking the long view, Mr. Thomas said, "we are establishing a fellowship with other American business groups which is going to bring the local agent into a position of respect and importance in his community even greater than anything he has enjoyed before." He emphasized the support the industry may anticipate from buyers of insurance if they have been properly sold and their accounts properly serviced.

The public relations program is already paying important dividends to the whole business of insurance, Mr. Thomas asserted. "The plan and thought which went into the public relations work in the past few months was immediately repaid when we were called on to help in the support of the Bailey-Van Nuys bill, and its companion measure in the House.

Results Are What Count

"What we want is results," he said, pointing out that the best public relations program is not necessarily the most conspicuous. "We want to improve the standing of the agent. We want to protect him against the dangerous threats of the time, and see that his earnings and position are recognized. We want to educate and defend. We want to help the agent to improve his own standing both in terms of education and ability to render service, which really go together."

Mr. Thomas expressed the opinion that despite threats of federalization, insurance, on the whole, has been relatively fortunate as compared with many other businesses in the amount of regu-

Don't Sell Aviation Future Short, Stephenson Warns

MILWAUKEE—Agents cannot afford to sell the aviation business short, E. L. Stephenson, manager of Associated Aviation Underwriters, Chicago, said in discussing the present opportunities and future possibilities in the aviation insurance field, at the convention of the Wisconsin Association of Insurance Agents. Mr. Stephenson drew an optimistic picture of the development of aviation during the war and the possibilities of expansion in the post war period.

There is still considerable private flying being done, he said, and while the number of private contractors training pilots for the army has declined from 850 to 150, the aviation markets are selling more insurance to the 150 than they ever sold before to cover this type of aviation activity.

Will Have Tough Competition

The agent should prepare now for the tough competition that will face him after the war in the aviation insurance market. Then those men who have been in the air forces are going easily to out-distance agents who are unprepared. Mr. Stephenson advised agents to start now to read good aviation magazines and learn what it is all about.

What can the agent expect in the way of aviation development after the war? Mr. Stephenson answered this question in detail. He said that private flying, which is the subject of most interest to agents, is bound to boom in the post war period, and it is quite likely that two or three years after the war people will be able to buy practical airplanes seating four or five persons at a cost that is not much more than that

for an automobile. Eventually this cost should not be out of line with what is paid for an automobile, he said. Costs now are coming down and will continue to do so, he predicted, and the safety factor will be tremendously advanced. Such an airplane probably will have folding wings and can be driven on the highway when it cannot be flown. The owner will be able to keep it at home in his garage.

Douglas Aircraft recently announced that it will build a 24 passenger plane for use after the war which will cost about one half as much to operate as Douglas' present 21-passenger plane and will be about half the size. This gives, Mr. Stephenson said, an idea of what will be done to decrease costs and increase the use of the airplane.

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Plans Being Made Now

Plans are being made today for airmail pickup routes throughout the country, and after the war it is expected all towns of 4,000 population and more will have an airmail pickup. The pickup will be by hook and the airplane will not have to land. Mr. Stephenson said that there will not be a helicopter in every garage 15 minutes after the war is over, but eventually a great many persons will have and operate them. There is a lot of engineering to be done first, he said.

Already, he said, 300 bus and truck companies and a few railroads have applied for airline routes for various services, passenger, freight, etc., and applications continue to be filed at the rate of about two a week. This indicates to what extent this type of operation will expand directly after the war is over.

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Vital Business Problems Taken Up at Milwaukee

J. S. Rowland Elected President; Support Bailey-Van Nuys Bills

NEW OFFICERS ELECTED

President—John S. Rowland, Racine. Chairman executive committee—August Lutz, Sheboygan. State national director—William B. Calhoun, Milwaukee. Vice-presidents—Willard V. Jackson, Eau Claire; Harold R. Hanson, Neenah; Joseph Funk, Kenosha. Secretary—Hilda L. Rogers, Milwaukee. Treasurer—A. A. Veitenhaus, Milwaukee.

By R. W. LANDSTROM

MILWAUKEE—The annual convention of the Wisconsin Association of Insurance Agents here was an enthui-



J. S. Rowland Hilda Rogers

siastic gathering of local agents who realized the tasks that face them and their business and who sat down together to talk over what to do about the situation.

A resolution was adopted favoring the legislation now before Congress to keep control of the insurance business in the hands of the states and urging members to seek the support of their representatives to pass such legislation. Another resolution commented on the splendid service to the business of the Insurance Economics Society and offered

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November 4, 1943

Executives, Chicago, was an interested visitor.

John D. Rogers, resident vice-president of **Continental Casualty**, was host at his company's headquarters. In addition to his field supervisors he was assisted by L. L. Beach, counsel, from the home office in Chicago.

State Agent Cornell Anderson, **Home of New York**, gave a dinner for his agents in lieu of his usual open house. Attending from Chicago were Robert Maxwell, marine department manager; David Larson, service department engineer, and John Birmingham of the marine department.

The **Travelers** group entertained in their headquarters presided over by W. W. Sukow, state manager of the fire company, and R. B. Notestein, who holds a similar position with the casualty company. They were assisted by Assistant Managers C. A. Boe, L. M. Anderson, and Thos. F. Eaders.

Harry A. Nelson, director of workers' compensation for the Wisconsin industrial commission, was an interested spectator at all sessions.

L. R. Hanawalt, associate western manager of National of Hartford, attended from Chicago.

E. S. Willman and Frank Goldthorp, special agents of **Commercial Union**, dispensed hospitality.

Wilkey Appeals to U. S. Supreme Court on Status of Independent Adjuster

BIRMINGHAM, ALA.—An appeal to the U. S. Supreme Court has been taken by J. L. Wilkey, Birmingham independent adjuster, from a recent decision of the Alabama supreme court limiting the activities of non-salaried adjusters who are paid by the hour for their services.

In a brief submitted by his attorney, Mr. Wilkey contends that to deny an independent adjuster the right to follow his profession just because he is paid on a part-time basis tends to deprive him of "liberty and property without due process of law" and is contrary to the 14th amendment to the constitution.

Mr. Wilkey objects to the Alabama supreme court's ruling which permits laymen to be adjusters if they are employed by companies on a full-time salary basis but prohibits part-timers from operating.

There is no basis for claiming that public interest is served by such a ruling, Mr. Wilkey holds. He claims the situation is "a by-product of the fight by some lawyers to preempt the field of adjusting controverted or disputed insurance claims for the legal profession" and that "the state has no right to destroy the well recognized vocation of independent insurance adjuster."

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VIEWED FROM NEW YORK

ROYAL-LIVERPOOL OLD GUARD

The Royal-L. & L. & G. organization known as the Royal-Liverpool Guard composed of employees who have been connected with the company for 25 years or more held their annual meeting Oct. 28. W. J. McGurk is the retiring president and reported a membership country-wide of 230 of which 85 were in attendance. During the year 34 members were admitted. He reviewed the various ways in which the committee has been keeping in touch with any that needed relief. C. A. Nottingham, assistant U. S. manager, gave a talk. C. E. Black was elected president; George A. Barnard, vice-president; E. H. Hill and Miss E. M. Rabey, governing committee; W. H. Ackerman, secretary-treasurer.

AUSTRALIA'S HOSPITALITY

The Insurance Institute of Australia has extended the hospitality of the insurance offices in that country to American insurance men and women serving in the armed forces who are stationed in Australia. The plan is similar to the one followed by the British insurance organizations in their hospitality plan for American service men.

OLD GUARD REUNION

Over 200 members of the "Old Guard" from the New York home office of America Fore met at their annual dinner. Countrywide, membership is now more than 500, with 65 new members entering this year.

President B. M. Culver, a member of the guard, and F. A. Christensen, executive vice-president, spoke.

Out-of-town guests included Secretary H. W. LaRue of the western department, with the companies of the group more than 40 years, and Resident Manager L. C. Adair in charge of the Atlanta office of Fidelity & Casualty. H. A. Nelson, 68 years with America Fore, is dean of the guard. Charles L. Newmiller presided as toastmaster.

N. Y. BROKERS MEETING

Full federal control of insurance through a national insurance bureau with the ultimate objective of nationalization of the business was predicted by George F. Sullivan, president New York General Brokers Association, at its annual dinner, if current activities of the government in connection with the business are successful. Speaking before 600, Mr. Sullivan said this would make state laws inoperative and mean the end of brokers and agents qualification statutes and uniform rates and clauses and a return of cut throat competition in the business.

The association's annual gold medal was awarded to L. H. Pink, former superintendent of insurance, now president of Associated Hospital Service of New York, by T. J. Cullen, first deputy of the New York department. J. S. Phillips, chairman of Great American Indemnity and also a former superintendent, was toastmaster. Mr. Sullivan urged brokers to support the Van Nuys Bailey bill, to inform congressmen of their views and to discuss the matter with neighbors, customers and associates.

RICHMOND COUNTY MEETING

The next regular meeting of the Richmond County Association of Local Agents has been tentatively set for Nov. 19 at St. George, S. I. Because of a conflict of dates with other organizations, the October meeting was not held.

TAYLOR ADDRESSES BUYERS

Conditions have so improved in certain industries that class rates should be reconsidered and adjusted in accordance with improved conditions, Lee W. Taylor, assistant general manager of the

Explosion Conference, New York City, said in a talk before a group of insurance buyers at the monthly meeting of the Risk Research Institute there. Because the conference classes rates by risks rather than relying on schedule rating, he said, it is not permitted to allow for special protective features which assured may have installed.

The buyer, Mr. Taylor commented, can help underwriters materially by keeping the latter advised of changed industrial processes through his agent, broker or company, or through the inspection services upon whose reports the underwriters rely.

AREVELL BROUGHTON ON WING

Averell Boughton of New York City, public relations counsel of the National Association of Insurance Agents, is a busy man these days. He is in Springfield, Ill., this week speaking before the Illinois Association of Insurance Agents and then will go to the Pacific Coast. He will stop off at Salt Lake City for a conference with President Fred A. Moreton. He will speak before the California Association of Insurance Agents at San Francisco, Nov. 17. He will be in Chicago all day Saturday.

IN U. S. WAR SERVICE

Lt. John V. Richards, Jr., of the J. V. Richards & Son general agency, Nashville, spent several days there, en route to Ft. Ord, Presidio, Monterey, Cal., where he has been assigned as aide de camp to Gen. H. D. Chamberlain.

Technical Sergeant Doran Kennedy, former underwriter in the Eureka-Security agency at Cincinnati, arrived home on a furlough last week to attend his mother's funeral. He had been in Greenland for the past 15 months and expects a different overseas assignment when his furlough expires. Sergeant Kennedy had been awaiting a furlough and transfer, and, on learning of Mrs. Kennedy's death, his commanding officer was able to arrange immediate air transportation, so he amazed his family and friends by arriving in Cincinnati 24 hours after receiving the news.

H. W. Dragoo, II, head of the advertising department of Lumbermen's Mutual Casualty and American Motorists, Chicago, has been commissioned an ensign in the naval reserve and reported for indoctrination in air combat intelligence at Quonset Point, R. I.

Maj. W. W. Ingenuh, son of the late Anthony Ingenuh, one-time president of the Minnesota Association of Insurance Agents, is reported missing in action on an air mission over Europe. His mother, Mrs. Catherine Ingenuh, conducts the East Minneapolis Insurance Agency established by her late husband.

Abraham Farkas, who has been with the Association of Casualty & Surety Executive for many years and is head of the service department, has entered the navy.

T. W. Harwood, formerly Pacific Coast marine manager of Commercial Union, has been commissioned a second lieutenant in the army at Camp Harahan, La., transportation corps officers training school. He has been assigned

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North America's

Stockholders

O.K. Pension Plan

Stockholders of the North America have voted to adopt a new pension plan covering all employees and certain officers. It has had a pension fund for 13 years but it covered principally head office employees. The new fund provides for an irrevocable trust covering all employees of the North America companies, 32 service offices in the United States and Canada as well as head office employees. Pensions are provided for men at 65 and women at 60 years of age after a minimum of 20 years of service. The maximum pension including government payments is 60% of the average base salary for a specified period with a minimum allowance from the trust of \$65 a month.

Mont. Officials for State Regulation

HELENA, MONT.—Governor Ford of Montana and Commissioner Holmes have joined with the Montana Association of Insurance Agents in urging enactment of measures designed to keep the regulation of insurance with the states and calling on the Montana representatives in Congress to support the bills.

to Los Angeles port of embarkation at Wilmington, Cal.

Major Victor Nutley, former home office executive of Northwestern Mutual Fire and Northwest Casualty, was in Seattle on leave recently. He is now commanding officer at Juneau, Alaska.

Lieut. H. H. Bartlett of the navy, former state agent in Seattle of the St. Paul group, has been assigned to a new post at St. Augustine, Fla. He has been located in Seattle ever since entering the service.

Jerry Churchman, supervisor of the liability department of American Automobile in Kansas City, has entered the navy as an ensign and will go to Quantico Point, R. I., for his training.

A. N. Bushnell, Jr., Los Angeles special agent, is in the marine corps and is taking his training at San Diego.

HOST TO MOST

Wartime

WHO VISIT BALTIMORE

Baltimore is knee-deep in war! Surrounded by war production industries . . . located near the Washington scene . . . Baltimore has become a focal point of wartime activities.

This has created problems . . . problems that you can help to solve. Make your reservation in advance . . . cancel it promptly if you cannot use it . . . be patient if the service is not as smooth and speedy as in pre-war times.

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EDITORIAL COMMENT

War Damage Decision in Retrospect

Now that the radio commentators that suffer from the lack of a transformer between ear and lips are dishing up insurance tidbits how fortunate it is that the fire insurance companies don't have a credit of \$100 million or so in war damage insurance. The prudence of those leaders that insisted upon a federal war damage insurance scheme with private insurers attending only to the details is, we believe, conspicuously underlined by the utterances of those who have lately been recklessly maligning an industry. What poisonous constructions and what inflammatory charges might be hatched by these hair trigger commentators as well as by the real enemies of private insurance were the insurance companies at this period in the war standing with a microscopic loss ratio in a huge war damage account!

Those who counseled against the private handling of war damage insurance felt sure that there were but two certain alternatives. Either that our enemies would gain such strength as to be able to bomb our cities or that we

would be able to save our shores from any raids whatsoever. In the first circumstance the resources of private insurers would be pitifully inadequate to make good the loss and the entire private insurance system would be wrecked. Even in our darkest days there were few who actually apprehended such a calamity and it was always pretty certain that the second circumstance of no losses at all would come to pass. But those whose influence prevailed appreciated that with no losses at all the business would be exposed to political and public attack that might be nearly as devastating in its results as bankruptcy. The possibility of a nice, comfortable and publicly acceptable 45% loss ratio had to be dismissed.

The sort of attack to which the fire insurance business has been subjected recently, we believe, is only a taste of what we would be hearing today had private insurance decided and been permitted to assume the risk of war damage on land. The men who made the decision are to be heartily commended.

Dealing with Executive Sessions

At the recent meeting of the Insurance Advertising Conference, J. C. O'Connor of Chicago, editor of the "Fire, Casualty & Surety Bulletins," told his audience that in his opinion the first major objective of insurance companies should be to educate their own people. He was speaking of public relations procedure and declared that the industry's own employees should have a better knowledge of their business, its scope, its ramifications and what it is doing. They should become teachers as well as the higher ups.

In discussing public relations one of the factors that is most essential in any consideration of the topic is the attitude that a business should take in connection with the newspapers. The newspapers can be of vast assistance or they can be destructive. Therefore, it is highly necessary to keep the newspapers accurately informed and to do it in newspaper style.

Perhaps a good start in public relations would be to study the relationship between insurance and insurance organizations and their own trade press. We are led to expatiate on this subject by a complaint we received from an organization that the report that was given of an executive session was not accurate and was not authorized by the officials.

There is a forthright and businesslike

way of dealing with the insurance trade press when it comes to executive sessions. So far as we have been able to observe the newspaper men representing the insurance press have set a high value on ethical standards. They do not violate confidences. They are well informed as to what is going on because it is their business to keep in touch with the various currents of the day. They visit and talk with a number of men and therefore they form a composite view of what is transpiring.

An executive session at once becomes of major importance in the eyes of a newspaper man because he feels there must be some very important secret that will be presented. Hence he and the readers of his publication have their news sense whetted and their appetites sharpened when they find an "executive session" is scheduled. Those in the industry itself are entitled to accurate information, we acknowledge.

Therefore, in our opinion organizations should study just what should be done regarding executive sessions. The associations have trade newspaper men at hand regardless of whether they particularly enjoy their presence or not. Therefore they have to be dealt with.

Perhaps the wisest way to do would be to invite the Simon Pure trade press people into these executive sessions

because then their output could be controlled. That is, they would attend the session on sufferance and through courtesy. Hence the officials would be justified in discussing with the newspaper men what should be printed and what should not be. The officials therefore would have the whip hand in a way. The newspaper men would be able to get the background of the session and the subjects discussed. That is important in newspaper writing, viz., to have a correct understanding of what are the issues and what are the views concerning them. That is what is called "background information" in newspaper parlance.

Perhaps, however, officials would find some embarrassment or delicacy inviting the trade newspaper men into their sessions because they would fear that the members would not feel so free to talk if the press representatives were in the room. That being the case the officials themselves should arrange for a press conference immediately after the session, inviting the newspaper men in, talking over what occurred, being frank in divulging information, discuss-

ing it with the newspaper men, allowing them to ask questions and then deciding what can legitimately be printed. A number of organizations follow either one of these paths and so far as we are able to ascertain there has not been any serious complaint. The newspaper representatives recognize the fact that they are part of the business and that it is their province to be discreet and sensible in what they print.

Where an association does have an executive session and does not invite the trade press representatives in or arrange for a conference afterwards so that they can get direct information from the officials these news gatherers are thrown on their own resources and they are privileged therefore to get what information they can pick up from members. The latter plan always puts an organization in more or less hot water. Therefore we feel that here is one point where insurance organizations can immediately formulate a program dealing with their own trade press that will relieve them of embarrassing situations. It is a way to start better public relations right in the family.

PERSONAL SIDE OF THE BUSINESS

E. S. Hogg, director of Hogg, Robinson & Capel-Cure, Ltd., London insurance brokers, has just completed a 2½ months business trip to Central and South America. His trip included Mexico, Panama, Trinidad, Colombia, Ecuador, Peru, Argentine, Brazil and Venezuela. Mr. Hogg is now making an extensive trip through the middle west and expects to return to England the latter part of November.

Howard Campbell, special agent of Kansas City Fire & Marine and Hartford Fire in Kansas City, was operated on for appendicitis there.

C. H. Smith of Smith & Wheeler, western managers of Hartford Fire, has returned from his vacation spent on his farm in Virginia. While there he became a dirt farmer, operated a tractor and indulged in other agricultural pursuits.

James M. Brier, Jr., Topeka local agent, recently suffered a heart ailment and is confined to his home. He hopes to be back in the harness in November but will be forced to take it easy for a while.

W. M. Murray, former Chicago local agent and later connected with the Illinois insurance department and now associated with the C. R. Black, Jr., Corporation agency at San Diego, was in Chicago a few days and then went to New York City.

W. J. Sonnen of Evanston, Ill., retired manager of the Chicago department of St. Paul F. & M., who was taken ill at the annual dinner of the Life Members Society of the Northwest Association in Chicago Tuesday evening of last week, was confined to his bed. Evidently he had a combination of a badly infected tooth and the influenza. Mr. Sonnen runs all the details of the Life Members

group and inasmuch as he had to be taken home before the post-prandial program was reached his part had to be omitted. He is now able to be around.

L. H. Pink, former New York superintendent of insurance and now president of the Associated Hospital Service of New York City, has become a trustee of the Mutual Life of New York.

T. J. Pettigrew of Chicago, president Underwriters Adjusting, left this week for Miami, Fla., where he has a home, and will spend the season there.

Manager **Charles F. Thomas** of the Western Underwriters Association, accompanied by Mrs. Thomas, is spending a number of days in New York City visiting company and association officials. On their return they will go to Mineral Springs, Tex., where Mr. Thomas has an annual physical checkup.

Clem E. Wheeler, western co-manager of Hartford Fire, Chicago, is spending some time at Ft. Lauderdale, Fla., where he owns a winter home. **N. H. Wells**, adjuster of Hartford in Louisville, also is spending the first two weeks of November at Ft. Lauderdale.

J. W. Blanton, Sr., veteran head of the Dallas local agency of Blanton, Thomas & Co., was married in Fort Worth, Tex., to Mrs. Charles H. Storts of that city.

Harry E. Moore of Boston, president of the National Association of Insurance Brokers, has gone to the west coast. He will meet with local associations in California and address several producers' gatherings.

Jules J. Elder, Virginia state agent for the Connecticut Fire, with Richmond headquarters, is back in the field after undergoing a surgical operation in a Richmond hospital which kept him out

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SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.

of harness more than a month. He is now fully restored to health.

Thomas E. Wood, head of the Cincinnati agency of that name, who is national commandant of the Marine Corps League, has returned from a trip east on business for the league. He visited the national headquarters at Albany and also went to Philadelphia and Washington, where he conferred with Lt. Gen. Thomas Holcomb, commandant of the marines. On his return, Mr. Wood represented his organization as a guest at the meeting of the Military Order of the World War in Cincinnati.

DEATHS

Travelers Secretary of Southern Division Dies

William C. Kirkland, secretary of the southern department of Travelers Fire and Charter Oak Fire, died in a Hartford hospital after several weeks' illness. He was born in 1880 in Mars Bluff, S. C., received education there and was advertising manager of a local paper, then entered insurance in 1906 as local agent in Nashville, and in 1914 became Tennessee special agent of Home. Three



WILLIAM C. KIRKLAND

years later he went with Continental as Tennessee state agent. In 1921 he was promoted to executive special agent in the western department and was made assistant secretary in 1922.

When Travelers Fire was organized in 1925, Mr. Kirkland was selected as one of the first employees. As district manager in Chicago, he was in charge of the middle west and mountain states and it was through his energy the field staff was created in that territory.

He was taken into the home office in 1927 as assistant superintendent of agencies and was promoted in 1934 to superintendent of agencies. He traveled throughout the United States. In 1939 he was appointed secretary of the southern department for both companies, in charge of all southern business.

Following a protracted illness, **LeRoy S. Hodges**, 43, Virginia special agent of Aetna Fire, died in a Richmond hospital. Burial was at Huntsville, Ala. He started with Aetna in Georgia and later was with its farm department as special agent in Alabama and then in Virginia. He was special agent of Aetna in Oklahoma from 1931 to June, 1942, when he returned to Virginia.

William B. Medlicott, 86, one of the deans of the Boston insurance business and president of the Insurance Library Association of Boston since 1924, died at Cambridge. He was born in Longmeadow, Mass., and graduated from Worcester Institute of Technology. He taught mathematics for 10 years in Collegiate Institute, Springfield, then for 12 years was in the wool knitting business as an expert appraiser. He was ap-

pointed special agent for western Massachusetts by Mutual Fire of New York and Manchester, then was New England general agent of Atlas of London for 20 years. Later he was an appraiser and consulting engineer with the John C. Paige office.

In 1914 he organized departments for Atlas in Cuba and Puerto Rico, and he was a member of the final board which adjusted the losses in the San Francisco earthquake of 1906. He lectured on property insurance in Harvard school of business administration for 10 years. Mr. Medlicott was past vice-president of the New England Insurance Exchange, 1899. A son, Arthur, is a well known Boston insurance broker.

Glenn J. Fairbrook, 56, well-known Seattle insurance attorney, died there following a short illness. He represented Northwestern National in its history-making rate case against Commissioner Sullivan in 1934. The present 30% deviation from published rates in use by virtually all fire companies in Washington dates from the Northwest National decision.

E. J. Altgelt, 71, associated with his son, A. A. Altgelt, in the firm of Altgelt & Altgelt, San Antonio, and father of Woodward W. Altgelt of the Sanger & Altgelt agency, died at his home.

Charles V. Henderson, partner in the Bodwell & Henderson agency, Parsons, Kan., died there.

Herman Tholen, local agent at Iola, Kan., for 10 years, died there.

Prescott Keyes, 85, president of Middlesex Mutual Fire and affiliated companies, Concord, Mass., for about 30 years, died at his home in Concord. He was a graduate of Harvard in 1879 and for several years presiding justice of the Concord court.

John J. McLaughlin, 54, chief claim adjuster of United Mutual Fire of Boston, died at his home in Woburn, Mass., following a long illness.

Bertram B. Mann, 50, Louisville insurance producer, died from a heart attack.

Leslie E. Merrill, 68, inspector of Factory Mutual Fire for many years, died at Lowell, Mass. He was a graduate of Massachusetts Institute of Technology, class of 1901.

Charles E. Wood, former rater with Michigan, Oklahoma and Indiana Inspection Bureaus, died in Pontiac, Mich., after a long illness. A native of Michigan, he started his insurance career with the Michigan Inspection Bureau in 1918, leaving in 1926 to assist the Oklahoma Bureau in the rerating of that state. Upon completion of that work, he joined the Indiana Inspection Bureau, leaving a number of years later to enter the mercantile field in Pontiac.

Harry Thompson, special agent of Home for about 25 years in the East Bay area of California, died from a heart attack.

Lieut. Ben Herr, 26, who was connected with Home at the head office before entering the service, was killed in an airplane accident near Ft. Benning, Ga. His father is Wm. A. Herr, assistant secretary of the Loyalty group in charge of collections. Lieut. Herr won his wings last June.

Chicago Brokers Oppose Bailey-Van Nuys Bill

Opposition to the Bailey-Van Nuys bill in Congress was voted in a resolution by directors of the Insurance Brokers Association of Illinois at their annual meeting on the grounds the bill has nothing to do with preservation of states' rights, as indicated in the preamble, is vague and misleading, and is a subterfuge to cover up the real intent of immunizing insurance companies and agents against anti-trust law violations.

This action is contrary to that of the National Association of Insurance Brokers, of which the Illinois association is a member. It was explained the Illinois association is not opposed to states' rights, state supervision or any of the

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago,

Nov. 2, 1943

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	137	140
Aetna Fire	10	1.80*	55	57
Aetna Life	10	1.40*	25	36 1/2
Amer. Alliance	10	1.20*	23	24 1/2
Amer. Equitable	5	1.00	19 1/2	21
Amer. Home	10	1.00*	10 1/2	11 1/2
Amer. (N. J.)	2.50	.60*	15 1/2	16 1/2
Amer. Surety	25	2.50	62	64
Balti.-Amer.	2.50	.40*	7 1/4	7 1/4
Boston	100	21.00	585	600
Camden Fire	5	1.00	21	22
Contl. Cas.	5	1.50*	41	42
Cont. N. Y.	2.50	2.00*	48 1/2	50
Fidelity-Phen.	2.50	2.20*	49	51
Fire Ass'n	10	2.50*	69	71
Firemen's (N.J.)	5	.40	13 1/2	15
Firemen's Fund	10	3.00	90	92
Franklin Fire	5	1.40*	29	30 1/2
Glens Falls	5	1.60	43	45
Globe & Repub.	5	.50	9 1/2	10 1/2
Gt. Amer. Fire	5	1.20*	29	30 1/2
Gt. Amer. Ind.	2	.20	12 1/2	14
Hanover Fire	10	1.20	28	29 1/2
Hartford Fire	10	2.60*	97	99
Home (N. Y.)	5	1.60	31 1/2	32 1/2
Ins. Co. of N. A.	10	3.00*	84	86
Maryland Cas.	1		6	6 1/2
Mass. Bonding	12.50	3.50	72	74
Mer. (N.Y.) Com.	5	2.00*	48	50
Nat. Cas.	10	1.00	23 1/2	25
Natl. Fire	10	2.00	60	62
Natl. Liberty	2	.40	7 1/2	8
Natl. Un. Fire	20	5.00*	188	193
New Amst. Cas.	2	1.00	28	29
New Hamp.	10	1.80*	46	48
North River	2.50	1.00	23 1/2	25
Ohio Cas.	5	.70	21	23
Phoenix, Conn.	10	3.00*	87	89
Preferred Acc'l.	5	1.00	15 1/2	16 1/2
Prov. Wash.	10	1.40*	36 1/2	38
St. Paul F. & M.	62.50	10.00*	300	310
Sprgld. F. & M.	10	1.40	37	39
Standard Acc'l.	25	4.75*	126	129
Travelers	100	16.00	480	490
U. S. F. & G.	2	1.50*	38 1/2	40
U. S. Fire	4	2.00	49	51

*Includes extras.

implied preamble of the bill, but supports regulation by the states rather than by companies or agents, through boards and associations, within the states.

"There is nothing in the Sherman act or Clayton act which, if applicable to the insurance business, would take from the state the right to regulate insurance within the state," the resolution relates. "It would be in the public interest that insurance be regulated by each state rather than by associations of companies and their agents. The issue of states' rights has been injected into the controversy to cover up the real purpose of the bills."

It was said the association, if its members unanimously support states' rights and state supervision of insurance, would find itself in direct contradiction, due to its recent stand taken against the Chicago Board, were it to support the real intent of the act.

Subrogation Suit for \$583,223 Filed in Chicago

Suit has been filed in the circuit court of Cook county by seven business firms and 44 fire insurance companies against the L. P. Friedstedt Co., Chicago contracting firm, to recover \$583,223 in damages resulting from a fire Jan. 9, 1942, at 3601 South Racine avenue, Chicago. The suit is an action in subrogation, and alleges that the fire resulted from carelessness of Friedstedt employees while using an acetylene torch, sparks from which started the fire in the Hermann Warehouse. Myers & Snorly are attorneys for the plaintiffs.

The suit charges that under a contract between Central Manufacturing District, owner of the warehouse building, and Carlson & Johnson (or Ajax Tank & Tower Co.) the Friedstedt company, to which a part of the work was subcontracted, engaged in making repairs to a steel support of a water tank above the warehouse. Openings were made in the roof of the warehouse building and acetylene torches were used to cut steel from the support being repaired. Sparks, particles of red hot steel and particles of molten steel dropped through the roof openings, and these started the fire, the suit alleges.

Charges Negligence

Friedstedt knew or should have known of the hazardous nature of the work and should have taken proper precautions, the suit sets out. The contractor also was negligent in not providing experienced employees, by failing to clear a sufficient space under the roof openings, and in other respects, it is charged.

Insurers that are plaintiffs are: Aetna Fire, American Central, American Equitable, Citizens, Commonwealth, Connecticut Fire, Continental, Equitable F. & M., F. & G. Fire, Fidelity Phenix, Fire Association, Fireman's Fund, Firemen's, Girard F. & M., Hartford Fire, Home F. & M., Home, Knickerbocker, London, Mercantile, Merchants, Millers National, Minneapolis F. & M., National Fire, National Liberty, National Union, New Brunswick, New York Fire, Newark Fire, Niagara, North British, Northern, Pacific Fire, Pearl, Providence Washington, Royal, Royal Exchange, St. Paul F. & M., Scottish Union & National, Travelers Fire, United States, Western, Westchester, Commercial Union.

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State Supervision Needs to Become More Effective

L. H. Pink Says It Should Correct Its Weak- nesses and Errors

NEW YORK—"The best answer to those who would take away supervision from the states and give it to a federal government already overwhelmed with detail, responsibilities, and power, is the correction of our own weaknesses and mistakes," L. H. Pink, president of Associated Hospital Service of New York and former New York superintendent of insurance, declared in accepting the gold medal annually awarded by the General Brokers Association for distinguished service to the business. "It is within our power to increase the efficiency of state supervision and provide the necessary machinery for the control of a nationwide business on a nationwide plan," Mr. Pink continued. Uniform state laws and regulatory agencies with national scope under the close supervision of the states, though admittedly difficult, can be achieved.

Public Satisfaction Is Key

"Our best protection is the character and effectiveness of the service we render. The continuance of state supervision depends largely upon a satisfied public. It is not mere wishful thinking to believe that the great majority of policyholders prefer control by the states. They do not want insurance added to a federal system already overcomplicated and overgrown. They do not want their life savings subject to the financial ideologies of federal experts," he said.

The fact that 70% of the insurance of the world is in the United States and Canada is due in no small part to the vigilance and aggressive sales efforts of a trained and experienced body of agents. Pointing out that attempts to sell insurance by mail or over the counter had never produced great volume, Mr. Pink said that whatever is in store in the future, no one can take from insurance the credit for the vast amount of social security and protection it has provided through voluntary means and self effort.

Align with Liberal Leaders

There are larger and more important matters before the business than the encroachment of government insurance, he said. For unless a new world is created with the ideas of freedom, the rights and dignity of the individual, control of government by the majority, equal opportunity for all—both politically and economically—preserved and extended, misery, jealousy, fear and armament, trade barriers, disordered currencies and mass unemployment will continue.

"Our great institution could stand squarely and unmistakably for tolerance and liberalism, for the free movement of trade, for international cooperation, for the rights of men and all nations large and small," Mr. Pink said. "We represent policyholders, almost as numerous as citizens. We owe it to them and to ourselves to stand with the liberal leaders of all parties and all countries in opposition to national selfishness, in favor of mutual aid among nations as among men."

"Our immediate and less spectacular duty is to carry on the fundamentally

Texas Approves New W. C. Plan

Finds It Fair to All Size Risks; Rejects Several Counter Proposals

The Texas insurance department has approved the program for rating workmen's compensation risks filed by the National Council on Compensation Insurance. At the same time the Texas commissioners disapproved the proposal for use of different factors by stock and non-stock carriers, and turned down the proposal of Texas Employers for a flat discount in the premium rate of 6.37% applicable to all policies regardless of premium size. The commissioners also rejected a substitute proposal by Ralph Soape providing a discount from the standard premium based on the individual carriers' expenses as reported in the year immediately preceding. The loss conversion factor is 1.14 and the tax multiplier 1.054.

The four-plan program originated by the Association of Casualty & Surety Executives will apply to intrastate business only, and is effective Jan. 1 on new and renewal business.

The retrospective rating plan put into effect Jan. 1, 1939, in Texas and its amendments, was withdrawn and is not to be used on new or renewal policies after Jan. 1.

Approves of Gradation

The commissioners stated that gradation of administrative, payroll audit, field supervision and acquisition expense element "is fundamentally sound."

"It is the considered opinion of the board that the plan is not discriminatory to the smaller premium risks or to any size risk, for that matter, as discounts are uniform for all risks up to any given amount of premium and the higher discounts apply only to that part of the premium within a higher bracket," the commissioners' report stated.

Upon investigation the board found "that some so-called 'sliding scale' participating companies use graduated expenses in determination of dividends to be paid to a policyholder. The board has also examined records with reference to the actual expenses of so called 'flat dividend' companies and it has found that it would hardly be reasonable to contend that the discounts herein prescribed would be confiscatory as to that class of carrier."

The commissioners will hold a meeting Nov. 19 in Austin to consider rates and classifications in connection with the normal rate revision. They will also consider prohibition of certain plans and agreements, both written and oral, which are being used by a number of insurers in writing workmen's compensation and which plans and agreements are not written into the application or in the policy.

These include premium surcharge waiver agreements under retrospective rating plans, in connection with which the commissioners will consider whether or not to prescribe a premium waiver table; so called cost-plus plans, stop-loss plans, or any other plan, contract, agreement or resolution not specifically prescribed or authorized by the board. The com-

useful business of insurance undiminished through the years of stress and war.

"The best answer to those who would go too far and too fast with compulsory social insurance is to prove that private insurance can provide adequate protection of high order."

T. J. Cullen, first deputy of the New York department, presented the medal on behalf of the association, paying high tribute to Mr. Pink's ability and leadership as New York superintendent.

Steam Boiler Issue Not Yet Adjusted

New York Department Gives Further Time for Companies to Get Together

NEW YORK—The New York department has given another opportunity to the National Bureau of Casualty & Surety Underwriters and the Hartford Steam Boiler to reconcile the differences which exist in the boiler and machinery field without intervention from the supervising authorities. The department is engaged in additional assembling of statistical data on inspections on a New York and country-wide basis to get an idea of what the current rate level should be. The department evidently feels that the competitive moves have forced the rates down to a level which is inadequate.

Officials of the National Bureau companies, Hartford Steam Boiler and Employers Liability have had a number of conferences and it is stated that some progress has been made toward the adoption of a uniform manual for New York and probably the whole country. Hartford Steam Boiler and Employers Liability were represented at later meetings by L. B. Brainerd and L. G. Wimmer, vice-president and assistant vice-president of the Hartford, respectively. The Bureau companies were represented by Manager William Leslie.

It is found that one of the important lines of difference is the method to be used in determining premiums for excess limits. The National Bureau holds that its new excess limits table should be used while the Hartford Steam Boiler contends that the old insurance charge table should be retained in the new manual.

Commissioners also will determine whether they should require participating companies to file a plan of operation and a scale of proposed dividends to be approved by the casualty commissioner in the form of an endorsement to be attached to each policy written by such carriers. Bonus overtime payroll and elimination of "vacation payroll" also will be taken up.

The Texas commissioners have approved a "divided risk endorsement" for use where there is a division of compensation coverage between two or more carriers on operations in one business, and also where there is a division of the insurance, either between carriers or between a carrier and no insurance, where the division is between two separate businesses.

The Texas State Manufacturers Association with several other trade organizations is continuing its campaign for lower compensation rates. It has filed a petition with the commissioners asking why the new rating program, which the commissioners say will save Texas employers \$2,500,000 annually, is not effective Oct. 1 instead of Jan. 1.

A. J. Branscom, Houston, executive vice-chairman of the Manufacturers' group, has urged employers to take every possible means to reduce accidents, saying "while rates can be reduced, unless employers concentrate more upon the control of accidents than they have in the past, the rates will again be increased."

Mr. Branscom said that "our experience prompts us to strongly support the bills now in Congress that seek to keep the control and regulation of insurance in the hands of the respective states. We have had relief from abnormally high rates by appealing to the Texas board; we know we would have received no consideration if the federal government had control of insurance matters."

Research, Education, Reaching Unsold Future Market Ends

First Task to Preserve States Rights, Heard Tells N. H. Agents

A future of uncertainty and perhaps chaos would be in store if the U. S. Supreme Court should happen to reverse the case of Paul vs. Virginia and if the bills before Congress which provide for a continuation of state regulation of insurance should fail of passage, according to Manning W. Heard, vice-president of Hartford Accident, who addressed the annual meeting of the New Hampshire Association of Insurance Agents at Manchester. In such event, he declared, the insurers could not comply with the state laws without violating the federal anti-trust laws and Congress would of necessity be compelled to take control of the business.

All insurance people, he declared, should convince their representatives in Congress that insurance is not seeking special privilege but is asking that the characteristics of their business be recognized. Insurance operations are wholly inconsistent with the theory and purpose of the federal anti-trust laws and the business should be removed from the shadow of such statutes. If Congress subsequently wishes to take over the control of insurance, that is a question which it should give separate and different treatment.

Cites Frankfurter's Words

Insurance is asking Congress, he said, to do no more than recognize the declaration of Justice Frankfurter in the Osborn vs. Ozlin decision: "The ways of safeguarding against the untoward manifestations of nature and other vicissitudes of life have long been withdrawn from the benefits and caprices of free competition."

Mr. Heard declared that one of the common enemies of the insurance business is the misunderstanding between companies and agents and that must be laid. Another objective for the future must be to correct the misunderstanding on the part of the public of the insurance business and to remove its lack of understanding of the business. He congratulated the N.A.I.A. on its ambitious public relations program and he stated that a similar program for all groups of companies is essential.

Research Project

Mr. Heard remarked that there is a growing recognition of the need of research within the industry to go along with a public relations program and he pointed out that the Association of Casualty & Surety Executives just recently authorized its staff to establish a research division with ultimate objectives of a broad and extensive nature. Such objectives will be retarded in attainment in view of the acuteness of the personnel program, he declared.

In the future the program contemplates a constructive, well executed and sustained public relations program involving an intelligent attempt to determine the insurance needs of the public and an intelligent effort to supply them.

Mr. Heard touched upon the question of mutual competition, which he stated has been increasing and has been more effective. While the agents oftentimes successfully can overcome such competi-

(CONTINUED ON PAGE 40)

Fete Am. Surety Chairman at 50-Year Mark

NEW YORK—Chairman F. W. Lafrentz's 50th anniversary with American Surety was celebrated at a dinner attended by 400 officers, trustees, and employees of American Surety and New York Casualty, its affiliate.

W. E. McKell, vice-president of



F. W. LAFRENTZ

American Surety and president of New York Casualty, presented to Mr. Lafrentz a silver plaque on behalf of the two companies. Mr. Lafrentz joined American Surety as chief accountant. After serving as comptroller and later as vice-president he was president from 1912 until 1926, when he became chairman. He is the father of A. F. Lafrentz, who has been president of American Surety since 1926.

President Lafrentz presided and the speakers included Albert H. Wiggin, Jeremiah T. Mahoney, Percy C. Magnus, W. M. Tomlins, Jr., F. A. Romeine, president of the Employees Association and Mr. McKell.

Forest Lawn Life Starts

LOS ANGELES—Forest Lawn Life, the first legal reserve old line life insurance company specializing in funeral insurance, has commenced operations in Glendale, Cal., with \$200,000 capital and \$100,000 surplus.

Dr. Hubert Eaton is president and chairman and L. H. Doyle vice-president and agency director. Mr. Doyle is widely known among insurance men throughout California, and was for a number of years home office representative on the Pacific Coast of Massachusetts Bonding.

Approve New Plan in Maine

Commissioner Perkins of Maine has notified the National Council on Workmen's Compensation Insurance that the new four-way retrospective rating program had been approved for use in Maine, effective Nov. 30. The commissioner turned down a request for increased rates applying to sardine canneries. All rates for the state are regularly promulgated each year effective Nov. 30.

Moller with Illinois Natl. Cas.

R. W. Moller has been appointed state agent for Illinois National Casualty in Indiana with headquarters in Indianapolis.

Mr. Moller has been special representative for Stone, Stafford & Stone for 3½ years and prior to that time he was with Great American Indemnity. He will be assisted in the field by Dewey Sinclair, special agent.

Karl F. Collins, 72, for many years Missouri state agent of Aetna Fire, who retired in 1935, died in southern California.

Strongly in Favor of State Control

Virginia Congressman Issues Statement as to Federal Insurance Supervision

WASHINGTON—Congressman D. E. Satterfield, Jr., of the third Virginia district issued this week a particularly strong statement relative to the regulation of insurance, coming out very strongly against federal control. He said:

"There is an important measure pending before Congress which I hope every Virginian will know about before it comes to the floor of the House. Congressman Walter of Pennsylvania and Congressman Hancock of New York and others have introduced a measure which seeks to affirm the intent of Congress that the regulation of the business of insurance shall remain within the control of the several states. Ordinarily there should be no need for federal legislation of this type on this subject. The need for an immediate pronouncement of Congress is brought about by virtue of the fact that a federal judge in Atlanta has handed down a decision that the business of insurance is not interstate commerce and should remain subject to state control.

"His decision follows a long and consistent line of United States Supreme Court decisions, holding the same way. If the Supreme Court, which now has that case before it for review, should decide that the Atlanta court is in error, all of these Supreme Court decisions down through the years will be nullified and state supervision and control of insurance will be completely destroyed. If that should happen, we will have the chilly prospect of another federal bureau attempting to do what the respective states have done so well in years past. It is easily one of the most important bills to come before the Congress in years.

Results in Virginia

"For an example of efficiency in state control consider that in Virginia since 1928 the state corporation commission, through its bureau of insurance, has regulated and controlled fire insurance, with the result that the rates on fire insurance have been reduced by 35.19%. Since 1928 over \$21,000,000 have been saved Virginia policyholders on fire insurance premiums. Strict supervision has prevented discrimination and has assured a sound financial condition in the companies doing business in the state. Not a single company failure has occurred through which any policyholder has lost a dollar. The saving in premiums through rate reductions to Virginians was not due to excessive rates charged by the insurance companies. It was brought about by the working together of state authorities, company management, field supervisors, and agents—a healthy workable cooperation proven many times over in other states. There is need for a timely reaffirmation of the intent of Congress to retain the traditional American concept of the federal government being a union of many sovereign states.

T.N.E.C. Set Forth a Hint

"Sometime ago the Temporary National Economic Committee issued a monograph on insurance in which it projected the government's possible entry into this untried field. Nothing further has been heard upon the subject. The Georgia case focuses attention upon this matter now.

"Under state control the business of insurance has been nurtured through its early life, guided along the path of safety and sanity, and has climbed to the heights upon which it stands today. In my judgment, it would be disastrous

Behrens' Views on National Fire in Casualty Field

The relationship between the National Fire of Hartford and the Continental Casualty of Chicago has been very close. Both have been interested in the work of the National Casualty of Detroit, President F. D. Layton of the National Fire being a director. Both the Continental Casualty and the National Fire bought large blocks of stock in the National Casualty which up to that time had been writing only health and accident insurance. It branched out into other lines and the Continental Casualty took the management of the casualty and surety end. President Layton is a director of the Continental Assurance, the life company running mate of the Continental Casualty. H. A. Behrens, board chairman of the Continental Casualty and president Continental Assurance, is a member of the board of the Franklin National and Transcontinental, both National Fire affiliates. Altogether the relations between the two organizations have been very close and will continue to be so. Mr. Behrens issued the following statement in connection with the announcement that the National Fire is organizing a casualty company:

"I note with interest the decision of National Fire to organize a casualty affiliate for the purpose of servicing agents of the National Fire group with casualty coverage in an affiliated company. This is a natural and normal development in line with the trend of the times. Both Continental Casualty and National Casualty for years have enjoyed a close friendly and cooperative relation with the National Fire group and this move on the part of National Fire will in no way interfere with the continuation of friendly cooperation."

St. Louis Claim Election

Newly elected officers of the St. Louis Claim Men's Association are: President, George T. Williams, Automobile Club of Missouri; vice-president, Earl Simpson, T. H. Mastin & Co.; secretary, Hugh S. Wilson, Luke & Cunliff; treasurer, Arthur McLeod, United States Casualty.

So. Cal. Surety Men Elect

The Surety Underwriters Association of Southern California at its annual meeting elected the following officers: President, Thomas Wisdom, manager National Surety; vice-president, Carl Bennig, bonding manager Pacific Indemnity; secretary-treasurer, Stanley Plews, bonding superintendent Travelers.

for the federal government to get its nose in the business of insurance. Let those who advocate such a course remember that through the years adjustments and corrections have constantly been made, and that the insurance business in this country is one of a few existent that has purged itself, overcome adversity and all the vicissitudes encountered by business, and today faces the future in a healthy condition. I believe that no other line of human endeavor has written a finer chapter than that presented by the record of the insurance companies of America. About the only investment that I can think of today worth a hundred cents on a dollar is life insurance and government bonds.

"To relegate this important subject to federal domination and control is an unnecessary disturbance of a well-handled business, and is one more nail in the coffin in which the rights of states and the habit of self-government are rapidly being interred."

Congressman Satterfield is a member of the house judiciary committee to which HR 3269 and HR 3270 have been assigned.

Celebrates 30th Year with Standard Accident



CHARLES C. BOWEN

Charles C. Bowen, president of Standard Accident, received the congratulations of associates and friends on his 30th anniversary with the company. Mr. Bowen started with Standard Accident as an apprentice underwriter in 1913. In 1919, following experience in all departments of the company, he was made secretary, and in 1926 became vice-president and secretary. In 1936 he was elected president, succeeding D. M. Ferry, Jr., who became chairman. In addition to his duties as president of Standard Accident, Mr. Bowen is president of Pilot Insurance Company of Toronto.

Court Upholds "Hold Harmless" Clause in Road Work Contract

"Hold harmless" provisions in a highway construction sub-contract, running in favor of the general contractor, were upheld by the Oregon supreme court in a suit of U. S. F. & G. and General Casualty against Occidental Indemnity. The latter carrier wrote both public liability insurance and the bond for the sub-contractor. The contract required the sub-contractor to indemnify the general contractor against "any and all losses from any cause whatever . . . in the manner of constructing said section of work."

U. S. F. & G. and General Casualty wrote public liability insurance for the general contractor. The sub-contractor's liability insurance in Occidental Indemnity was in his name alone, although another part of the contract required that liability insurance be carried "for the account of itself and the general contractor".

The general contractor and sub-contractor were sued jointly for personal injuries in an accident alleged to be caused by dusty road conditions bringing about an automobile collision and a judgment returned against both parties. The two sets of insurers paid the judgment and then U. S. F. & G. and General Casualty sued Occidental Indemnity as surety under the bond guaranteeing the assumption of liability. Occidental Indemnity won in the lower court, but this was reversed on appeal.

There were many charges and counter-charges in the argument, but the supreme court upheld U. S. F. & G. and General Casualty on the ground that the accident came clearly within the terms of the assumption and that the premiums charged the general contractor were based upon the assumption that most of the liability arising out of actual operations would be assumed by sub-contractors.

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of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been “Preferred Producers” for a long period of years.

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Sawyer Comments on "Mysterious Disappearance"

NEW YORK—E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, in response to a request, gives the following interpretation of the "mysterious disappearance" provision of the residence and outside theft policy:

"Prior to the revision of the policy on April 19, 1943, the burden rested upon insured to show clearly that disappearance of insured property was due to theft. This left insurers in a position to take advantage of the inability of the insured to prove actual theft even though the circumstances might be indicative of theft. Many insurers paid meritorious claims arising under such circumstances, but there was no uniformity of practice. In the revision of the policy last spring the following statement was included, 'Mysterious disappearance of any insured property shall be presumed to be due to theft.'

"It is my understanding that the sole purpose of the statement was to shift the burden of going forward from insured to insurer. If the insured shows a disappearance of insured property which can be logically explained in no way except by theft, the insurer must either pay the loss or explain the disappearance. In short, the insurer can no longer rely upon the inability of the insured to prove actual theft. I believe there was no intent to cover losses due to inadvertent misplacement, destruction, losing of the insured object or to other disappearances which are readily explainable. There must be a disappearance consistent with theft and not logically explainable on any other basis. Obviously, a disappearance which is explainable is not 'mysterious'. Each disappearance must be governed by the attendant circumstances."

The "mysterious disappearance" clause is causing somewhat the same headache to claim men that the comprehensive rider on automobile policies did a few years ago. A \$25 deductible for off-the-premises cover has been suggested to offset nuisance claims but a serious objection is that this would make the policy very difficult to sell.

Cleveland Joins State Body

The Ohio Association of Casualty & Surety Managers has approved the application of the Cleveland Association of Casualty Managers for membership. The state association feels that with the affiliation of Cincinnati and Cleveland groups, the work of the association can now be carried on much more effectively than before. Baxter Brown, Fidelity & Deposit, Albany, N. Y., was a guest. The next meeting will be held Nov. 30.

G. P. Putnam Sons, New York publishers, has put out the new book of R. H. Towner, formerly head of the Towner Rating Bureau of New York City, "The Third Kingdom." In this book Mr. Towner claims that the spiritual stature of Americans as a whole has noticeably declined during the last several decades. The population has changed. Spiritual revivals, once characteristic of American life, have disappeared. He asserts that the people have become frivolous, depending on hired entertainment. Radio and juke box instead of adventure or success stories hold the attention of youth. The book sells at \$2.75.

Mr. Towner some years ago wrote a book, "The Philosophy of Civilization," which attracted much attention.

Wilbur E. Benoy, Columbus attorney, addressed the Ohio Casualty & Surety Club at its meeting in Columbus Monday. He gave a history of the law of negligence. The next meeting will be held in Columbus Dec. 6.

Traffic Deaths 6% Off in Sept.: 26% for Nine Months

Traffic deaths in September totaled 2,170, a 6% decrease from a year ago, according to the National Safety Council. For the first nine months the figure was 15,890, 25% below the first nine months of 1942, and 43% below the same period in 1941. The small Sep-

tember decline indicates an early end to continued reductions, the council pointed out.

The public is entitled to a small credit for the reductions since the country's mileage decreased 36% in the first eight months, compared with a decrease in that period in deaths of 43%, the council stated.

Rural traffic deaths declined 10% in the year ended with September, while urban deaths declined only 3%. For the first nine months of 1943, the rural decrease was 33% and the urban 16%. Of 41 states, 24 showed decreases and

17 increases for September.

The Pacific area continues to show the smallest decline, 28% for the two year comparison and 11% for the one year, while the north central section shows the largest, 51% and 35%.

A. W. Polhemus has been appointed special representative of the New York City metropolitan department of Globe Indemnity in its group accident and health department. He started his insurance career with the company in the metropolitan accident and health department.

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ACCIDENT AND HEALTH

E. W. Welton Heads Ohio Association

CLEVELAND—Problems before the business were faced squarely at the annual meeting here of the Ohio Association of Accident & Health Underwriters. Every session was packed with practical discussions, and concrete steps were taken to insure future progress. Underlying the program was a two-fold objective—to sell insurance protection and the value of the American system of free enterprise.

E. W. Welton, Business Men's Assurance, Columbus, was named president for the coming year to succeed C. F. Harroll, Inter-Ocean Casualty, Dayton. Gilbert H. Knight, Federal Life & Casualty, Cleveland, was elected vice-president, and H. H. Nunamaker, Columbian National Life, Cleveland, executive secretary. Retiring President Harroll automatically becomes chairman of the executive board. Others elected to the board are P. C. Rowland, Globe Casualty, Canton; Irwin Hoffman, Columbus; Max Abrams, Occidental Life, Cincinnati; W. H. Wilson, Illinois Bankers Life, Akron; A. F. Taylor, Inter-Ocean Casualty, Toledo, and Walter J. Sullivan, Monarch Life, Cleveland. Homer Trantham, executive secretary of the Insurance Federation of Ohio, was named general counsel and chairman of the legislative committee.

Work of Year Reviewed

Accomplishments of the past year were brought out in the reports of Retiring President Harroll and Executive Secretary W. B. Cornett, Loyal Protective Life, Columbus. High tribute was paid these men for outstanding service in behalf of the association. In assuming office as president, Mr. Welton voiced a strong platform of activities for the ensuing year.

The luncheon speaker was Russell Weissman, chief editorial writer of the Cleveland "Plain Dealer" and nationally known economist. One of the chief considerations of government and business during the past year, he said, has been post-war planning. In such planning one goal alone has been more or less agreed upon—full employment after the war. That, said Mr. Weissman, is putting the cart before the horse and there is a real danger to the American system of free enterprise.

There are three roads we can travel after the war. The first road is that of free enterprise system as it existed in the pre-war days. The second or middle course is that of state socialism, in which the individual is subordinated to the state and his activities are regimented. The third course is that of communism, which Mr. Weissman felt was a remote possibility. The real decision, he said, is between free enterprise and state socialism.

Wagner Bill Opposed

At the lively open forum meeting in the afternoon the most important topic was the Wagner bill, now before the United States Senate. The Ohio association passed a resolution opposing the bill. It was suggested that the resolution be sent to all Ohio senators and representatives in Congress and that each individual member likewise write to his congressmen.

Homer Bisch, National association president, explained that the National association is already in the fight and had sent letters to representatives in Washington. Support of policyholders in the movement is also being solicited.

There also was considerable discussion of the new Ohio law which permits a separate examination of accident and health agents or solicitors. While it was considered a victory that such a bill was passed, it was recognized that there is still room for improvement. It

was recommended that a committee be appointed to study the questions and answers and make recommendations to the executive board.

Much A. & H. Information in Conference Directory

The 1943-44 directory of the Health & Accident Underwriters Conference has just been mailed out by Executive Secretary Harold R. Gordon.

The 38-page booklet deals with 28 different topics, from a conference convention record, beginning in 1901, to a digest of the classes of business written by each of the 115 member companies. Each individual function of the conference is described and names of officers, executive committee members, advisory council members and committeemen, together with their company affiliations are listed.

There are, for example, 22 types or classes of business written by member companies, many of which operate in every state in the Union. These types of disability insurance range from the most complete commercial and non-



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Conference member companies are domiciled in 25 states and Canada. Illinois has the largest representation, with 18 companies, 13 of which have home offices in Chicago. Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New York and Ohio are also well represented.

Record Attendance Expected at San Francisco Congress

SAN FRANCISCO—The Accident & Health Managers Club of San Francisco is expecting a record attendance at its annual sales congress here Nov. 15 with members of the California Association of Insurance Agents as guests. Following a luncheon at which Harry W. Jones, Piedmont school superintendent, will speak on the "The Post-War Air Age," the sales session will get under way with E. J. Miller, agency director Massachusetts Bonding, speaking on "The Agent as the Principal Underwriter."

"Let Accident Business Insure Your Agency" will be discussed by Mrs. Gladys Leggett, Berkeley; "Keeping Up With the Times," Frank H. Beckmann, president Beckmann-Hollister Co.; and "We Are Treading on Dangerous Ground," E. H. O'Connor, executive director Insurance Economics Society.

New Officers in Peoria

PEORIA, ILL.—New officers of the Peoria Accident & Health Association, which now has a membership of about 40, are: V. C. Scott, General Accident, president; F. B. Chapman, Metropolitan Life, vice-president; C. H. Fowler, Monarch Life, secretary-treasurer, and C. C. Inman, Illinois Mutual Casualty, assistant secretary-treasurer. The association meets on the first Friday of each month.

May Cover State Employees

DES MOINES—The state of Iowa is considering a contract with Hospital Service of Des Moines to provide hospital insurance for full-time state employees. The state executive council, after discussing the contract, asked for an opinion from the attorney-general to determine the legality of the plan.

New York Club to Elect

The New York City Accident & Health Club will hold its annual meeting Thursday evening of this week. The following slate of officers will be voted on: President, John F. Lydon, Ocean Accident; first vice-president, T. E. McGrath; second vice-president, George Hamlin; third vice-president, B. H. Reaves; secretary, E. F. Anderson.

Elder Is Chicago Manager

O. V. Elder has been promoted to Chicago manager of the American Service Bureau, succeeding Robert R. MacKenzie, who has become vice-president. Mr. Elder was born in Providence, Ky., in 1900, graduated from University of Kentucky in 1922 and joined A. S. B. as a fee inspector at Louisville. He became an inspector in charge of Louisville, then in 1925 was promoted to manager at St. Louis.

In 1935, Mr. Elder was transferred to San Francisco as branch manager supervising northern California. Now he has been advanced to manager at Chicago, directing the bureau's sales and services in northern Illinois, northwestern Indiana and southern Wisconsin.



CHANGES IN CASUALTY FIELD

Penna. Casualty Elects a Number of New Officials

Following the announcement by the Commercial Credit Company of Baltimore that it has contributed \$3,000,000 to strengthen the reserves of the Pennsylvania Casualty which it owns, it has also made known the fact that H. L. Van Horn, for the last 14 years connected with Joseph Foggatt & Co., New York insurance accountants, has been appointed executive vice-president and will take the active management. He replaces Voris Lyons. E. C. Wareheim, executive vice-president Commercial Credit, will continue as president and N. O. Dobson will continue as vice-president. Mr. Lyons is leaving the service of the company. The extra financial ballast will strengthen the Pennsylvania Casualty's reserves and increase its surplus.

W. A. Wilson, formerly Oklahoma general manager of Commercial Stand-

ard, has been appointed vice-president and will supervise the agency and production department, while the underwriting will be in charge of J. D. Sheehan, who also is elected vice-president. F. D. Cunningham, who has been associated with American Surety for 17 years in the claims department, has been elected secretary and put in charge of the legal and claim departments. He succeeds E. E. Heaton. W. A. Gamble of the Commercial Credit has been elected treasurer, succeeding Walter Kramer.

Present Financial Position

An audit has been made which shows assets \$7,450,000; capital \$1,000,000 and surplus \$723,468. At the end of 1942 the statement showed assets \$3,735,460, capital \$1,000,000 and surplus \$253,602. The company states that its surplus will be greatly increased from premiums over 90 days due which have been deducted from admitted assets. Reserves for claims as of Sept. 30 were \$2,513,000. The premium reserve is \$2,204,000, total liabilities \$5,727,000.

It is understood that Commercial Credit intends to continue developing

the company and expanding its operations in various territories.

Small with Manufacturers Cas.

Byron Sommers, Chicago manager of Manufacturers Casualty and Manufacturers Fire, has appointed John Small as safety engineer. Mr. Small has had 18 years experience in safety engineering and inspection work, 4½ years with Travelers, three years with Union Indemnity, eight years with Standard Surety & Casualty and 2½ years with Standard Accident, servicing all casualty lines.

Eason with Central Surety

H. Gordon Eason, past president of the Des Moines Casualty & Surety Club, has resigned as regional supervisor in Iowa and Nebraska for Ocean Accident and has joined Central Surety. His headquarters are now at the home office in Kansas City.

Kennedy Advanced in Chicago

James H. Kennedy, who has been with Continental Casualty since July, 1941, has been named assistant manager of the automobile department in the Chicago branch office under Manager D. W. Lester. Mr. Kennedy was in the home office a year doing compensa-

It even protects against this



Protection against this and similar hazards is but one of the reasons why Standard of Detroit's Comprehensive Personal Liability Policy is so easy to sell. It's broad in scope—for it insures the personal activities of the entire family of the insured as well as his premises. It's very inexpensive—almost any householder can afford it. And Standard backs your personal

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FIFTH YEAR HEALTH VERSATILE AGENT SELLS ANOTHER ANNUAL PREMIUM \$112.50	SIXTH YEAR FIRE AND COMBINATION RESIDENCE ADDED ANNUAL PREMIUM \$458.50	SEVENTH YEAR AUTOMOBILE COVERAGE ON WIFE'S CAR ANNUAL PREMIUM \$126.70	EIGHTH YEAR LIFE \$125,000 POLICY — FUTURE SECURITY ANNUAL PREMIUM \$4,485.00
NINTH YEAR AUTOMOBILE INSURANCE ON HIS SON'S CAR ANNUAL PREMIUM \$112.20	TENTH YEAR LIABILITY ON PROPERTY OWNED BY DOCTOR ANNUAL PREMIUM \$56.28	ELEVENTH YEAR AUTOMOBILE THIS TIME ON SECOND SON'S CAR ANNUAL PREMIUM \$112.20	TWELFTH YEAR LIFE ON-LIVES OF THE TWO SONS ANNUAL PREMIUM \$1,000.00

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tion, liability and automobile underwriting. He spent a time in the Dallas, Tex., branch, and then returned to Chicago in the branch office where he has been since last August.

MacKenzie Goes to Harrisburg

J. Kenneth MacKenzie, surety underwriter in the bonding department of Maryland Casualty in Kansas City for seven years, has been transferred as assistant manager of the Harrisburg office. He went with the company in 1935 as a student in the insurance school at the home office.

Dayton to Central Surety

NEW YORK—Heydon Dayton, formerly in casualty underwriting and production work at the home office of Bankers Indemnity since 1942, has resigned to become casualty manager of the eastern department of Central Surety. Prior to his experience with Bankers Indemnity at its head office, he was Albany manager five years after serving six years in a similar capacity for Norwich Union Indemnity. Before that, he was three years in the claim department of Travelers. Mr. Dayton is a graduate of the Pratt Institute School of Architecture.

Schroeder with Standard Acc.

Fred F. Schroeder has joined the Chicago branch office of Standard Accident as compensation and liability underwriter. He has been at the home office of Continental Casualty in a similar capacity for the past 17 years and in his new post replaces Herbert McCaskey, who has entered the army.

ASSOCIATIONS

Detroit Managers Give Dow Farewell Luncheon

DETROIT—A. Y. Dow, Hartford Accident manager in Detroit for four years, who has been transferred to Buffalo as manager, was honored by his associates of the Casualty & Surety Executives Association of Michigan at a farewell luncheon.

Fourteen managers, plus the bureau managers from several Michigan cities, attended. Karl Preston, New Amsterdam and United States Casualty, president of the association, was toastmaster. J. F. Horton, veteran Aetna Casualty manager, who had just celebrated his 40th anniversary with that company, gave the principal tribute and presented a traveling bag on behalf of the organization. Other speakers included Morris Schryber, Mr. Dow's successor here; H. B. Carr, Fidelity & Casualty; L. C. Minor, American Surety, and J. T. V. Keller, Maryland Casualty. George Connor of the Fidelity & Deposit home office attended with George Bortz, local manager.

Casualty Actuarial Meeting

NEW YORK—The Casualty Actuarial Society at its annual meeting Nov. 17 will honor Richard Fondiller who has for 25 years been secretary and treasurer. This feature will be held at the luncheon. The speakers will be S. D. Pinney, C. W. Hobbs, National

Council on Workmen's Compensation Insurance, and R. E. Dineen, New York insurance superintendent.

Aetna Club to Elect

The Aetna Casualty Club, composed of brokers and male members of the sales and office staffs of Aetna Casualty in Chicago, will meet Nov. 15 to elect officers and to honor Don Weiser, who recently was appointed assistant manager. M. J. Cunningham is president of the group.

"Sousa" Decision Viewed

LOS ANGELES—In discussing the much litigated "Sousa" case before the Casualty Adjusters Association of Southern California, Joseph A. Spray, attorney, held that the California supreme court ruling in effect gives the permittee driving the owner's car the right to bind the owner in allowing a third party to drive the car.

It was voted to hold up arrangements for the annual dinner dance.

The Casualty & Surety Club of Baltimore will hold an oyster roast Nov. 9 in place of its fall field day.

COMPANIES

Central Surety Earnings for 9 Months Set Record

Central Surety of Kansas City reports earnings for the first nine months of 1943 the largest in its history. The estimated net, based on increase in surplus plus dividends paid, was \$377,382, compared with \$252,067 a year ago and \$150,567 in 1941.

Premiums written for the nine months totaled \$4,329,902, compared with \$5,563,978 a year ago. Assets Sept. 30 were \$11,518,851, against \$10,667,991 a year ago. Cash and bonds totaled \$9,806,225, against \$9,046,275. Surplus was \$3,035,661, against \$2,451,982. Total reserves were \$7,483,185, against \$7,126,008.

Berry J. Davis was elected director, succeeding the late George S. Carkner.

Associated Indemnity Has Increased Its Capital

The directors of Associated Indemnity of San Francisco have voted to increase the capital from \$750,000 to \$1,000,000. The change was effected by transfer of surplus funds. The net surplus and contingent reserve is now in excess of \$2,200,000. The increase in capitalization gives the company a better balanced financial structure for its general program of expansion.

Associated Indemnity and Associated Fire & Marine have been members of the American-Associated group since August of this year when ownership of the companies was acquired by American Automobile.

Metropolitan Casualty Report

The New York department has released the report of the examination of Metropolitan Casualty as of Dec. 31, showing assets \$11,431,577, capital \$1,500,000, net surplus \$1,029,974. The former mortgage guarantee business which it discontinued in 1929 was reviewed very carefully and the total reserve was increased \$150,145. An equity of \$632,000 in liability loss reserves of \$3,133,642 was calculated following a review of the claim files. The examination showed the company to be in fine condition.

U. S. F. & G. Increases Capital

Stockholders of the U. S. Fidelity & Guaranty have ratified the recommendation of the directors that the charter be amended increasing the par value of the capital shares from \$2 to \$10, the total capital being increased from \$2,000,000 to 10,000,000 by transferring \$8,000,000 from surplus.

AVAILABLE CASUALTY MANAGER

Experienced in production, agency development, underwriting, organization and executive work. Versed in casualty coverages and manuals. Some knowledge of fire and bonds. LLB Acquainted in Southwest, especially Oklahoma. Desire new connection with future suitable to capabilities. Write Box T-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Man or woman experienced compensation and liability underwriter for home office of stock company in Kansas City, Missouri. Splendid opportunity for right person. In reply, state age, draft status, experience and salary expected. Address T-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

PERSONALS

Ray W. Curran, Kansas City insurance attorney, was rushed to the Trinity Lutheran Hospital there the other day for an emergency appendectomy. He is reported to be doing satisfactorily.

J. A. Purdy, safety director of Michigan Mutual Liability, has been elected chairman of the Detroit Industrial Safety Council.

J. M. Timmons, a broker in the Chicago office of Aetna Casualty, celebrated his 40th anniversary with the company. George F. Tramel, Chicago manager of Aetna Casualty, gave Mr. Timmons a luncheon which was attended by those who have been associated with the veteran producer for a number of years. Mr. Timmons started as an employee of the company 40 years ago in Chicago. For a time he served as assistant manager there. He went into business for himself as an Aetna Casualty broker 25 years ago, and has built an exceptionally fine business. He received congratulations from company officials and friends over the country on his anniversary.

Roger Williams, chief underwriter of Columbia Casualty, recently visited company representatives in Houston, San Antonio and Dallas.

DEATHS

Arthur Blanchard, 63, of the Blanchard & Cairns general agency of London Guarantee, New York City, died last week while at his desk. He was long associated with London Guarantee, having become a special agent of that company in New York in 1907. He formed Blanchard & Cairns in 1923 and in 1929 it became general agent for London Guarantee. He lived at Boonton, N. J., where he was born, and served as mayor there in the first world war.

Peter A. Klein, 58, who represented Mutual Benefit Health & Accident at Templeton, Ia., until he retired a year ago, died in Des Moines.

Charles E. Spangler, 71, chairman of Woodmen Accident, died at his home in Lincoln, Neb. He also was secretary and director of Woodmen Central Health and director and treasurer of Woodmen Central Life, but ill health in recent years had forced retirement from most of these activities. He had served as a member of the executive committee and in other official positions in the Health & Accident Underwriters Conference.

He started with Woodmen Accident in 1892, shortly after its organization by Dr. A. O. Faulkner. As clerk he constituted the entire force at the time. In 1894 he became secretary and so continued until 1939. One of his sons, Richard L., is now executive vice-president of Woodmen Accident in the absence of President E. J. Faulkner in service. Another son, Joseph, assistant secretary, is in service.

Approve Stevedoring Reduction

RICHMOND—The Virginia corporation commission has approved a reduction in rates in the workmen's compensation and employers liability manual for stevedoring operations performed in Virginia for the United States government or any of its agencies under cost-plus-a-fixed-fee contracts.

Under the stock filing provision, the reduction is to be 15% in the manual or experience rates, whichever are applicable. The non-stock reduction is to be 5%.

H. D. Sawyer, accountant of the Actuarial Bureau of the National Board, has retired. He was the guest of General Manager W. E. Mallalieu and department heads at a luncheon. He was presented a gold wrist watch. He had been connected with the organization since 1922. He will make his future home in Florida.

Standard Accident Gets Bonds on Housing Project

The performance and payments bonds on the public housing project in the Pullman district of Chicago have been written by the Chicago office of Standard Accident, with M. J. Scheemecker handling the negotiations. The total contract is for \$7,597,000, one of the largest public housing contracts ever let in the Chicago area. The B-W Construction Co. and the Sherry-Richard Co. were the successful bidders. Standard Accident also had the bid bond.

The performance bond is in the penalty of \$3,798,500 and the payment bond \$2,500,000, and total premiums are \$51,755. Standard Accident originated the bond and there are 18 companies participating. Standard had seven bidders, including the first two, out of the total 13.

W. W. Durham & Co. was the agency.

The project consists of 162 buildings containing 1,500 dwelling units plus an administration building, to be finished in 300 days. Later there are to be stores, movie, and a school, the contracts for which are still to be let.

Drive on Home Accidents

CHATTANOOGA, TENN.—The Chattanooga Safety Council, of which Bart Leiper, public relations director of Provident Life & Accident and president of the Life Advertisers Association, is president, has decided to launch a local program of education against home accidents, through schools and other agencies, following a survey made by the council to determine the frequency of accidental injuries within the home. The survey, covering 17 months, showed 3,521 accidents in 1,300 homes. President Leiper believes that this is the first such comprehensive home accident survey ever made.

No

Business

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accident prevention program with positive results in the insured's best interests.

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Milwaukee • Minneapolis • New Orleans • New York • Philadelphia • Pittsburgh • Portland • St. Louis • San Francisco • Seattle

Research, Education, and Future Market

(CONTINUED FROM PAGE 29)

tition by justifying the value of their services it is a fact that the cost of insurance is becoming a more and more competitive factor and too often the determining factor. It has come to be generally recognized that the value of the agent's services can be justified and stock insurance sold in competition with increasing frequency only if the differential in cost is not too great. That differential becomes more prominent, important and decisive as the risk increases in size. An important and far-reaching step was taken to reduce the differential in the adoption of the new workmen's compensation rating plan. It is an important step competitively and it meets the public relations test. Similar principles, he declared, should be extended to the larger risks in other fields of casualty insurance.

Mr. Heard said that the new plans can be used to increase the agent's income. They expand his market, furnish him means to recapture business and place him in a position to hold business which he would otherwise lose because of price competition.

Learning While Earning

In the field of education, he said, much progress has been made but much "greater progress will have to be made before the knowledge needed to carry on such a specialized and technical occupation is readily available to one who aspires to a career in the insurance business." Educational facilities must be provided where they are not now readily available and the use of such facilities must be sponsored and encouraged, but the educational standards of qualification should not reach beyond the educational facilities readily accessible to those who would take advantage of them. The privilege of an individual to earn while he learns could well be preserved.

The industry must reach the unsold markets. Agents and companies should work hand in hand to the end that every individual and corporation shall be apprised of the risks to which they may be exposed and told how those risks can be covered by insurance.

It is a duty to reach more of what might be termed "unacquainted prospects." There is no magic formula for the successful development of business. The only way to sell insurance is to sell it and that involves the wearing out of shoe leather. "Our obligation to the public is not entirely fulfilled if we assume a purely professional attitude or if we consider our job well done when we attend to the needs of a selected and more or less permanent clientele."

State Employees to Cover Own Cars Under Mich. Plan

LANSING, MICH.—Motivated by the 1943 tightening of the autoists' financial responsibility law and by another new act abolishing the state's "governmental function" defense in damage actions, the Michigan state administrative board's finance committee has tentatively approved a proposal that state employees be required to provide their own liability insurance when driving state-owned cars.

Vernon J. Brown, auditor general, was delegated to confer with Frank Herrick, state mileage administrator, on the proposed program. The committee noted that many employees now have liability coverage on their own cars which could be extended by rider, at small cost, to provide them coverage while operating state vehicles. The extra cost, under the plan, would be borne by the employee, however. It was noted that the state has no funds specifically earmarked for meeting accident claims and it would be necessary to await legislative appropriations to pay claims al-

lowed by the court of claims under the altered law.

The new financial responsibility law is still involved in litigation and its enforcement is temporarily enjoined pending trial of a test suit in Detroit.

Stalling Tactics in Mich.

LANSING, MICH.—There are indications of stalling tactics on the part of foes of the new financial responsibility law. Enforcement of the new law has been enjoined by the Wayne county (Detroit) circuit court pending review of the act on its merits.

E. N. Barnard, Detroit attorney who obtained the original restraining order just before the act was to have become effective July 30, has obtained several delays of the litigation and now, according to Maurice Moule, assistant attorney-general, in charge of the defense of the law, has not filed pleadings which were to have been received by the court in order for Moule to frame an answer before Nov. 8.

Aviation Report Still on Way

WASHINGTON—Civil Aeronautics Board officials say that the board is not ready to release any report on an investigation of aviation insurance that it has been conducting with the help of two expert consultants. Ultimately, however, it is stated, a report will be released.

This investigation is understood to be related to legislation pending in Congress, including the Lea bill providing for an aviation reinsurance fund.

Holds Medical Seminar

American Mutual Liability sponsored a medical seminar for the advancement of industrial medicine in Boston for two days. The theme was "What Surgery Has Learned from the Present War." More than 200 military and civilian physicians and surgeons attended. Among speakers were: Philip Drinker, chief

health consultant U. S. maritime commission and professor of industrial hygiene Harvard school of public health; Dr. W. A. Bishop, associate physician Massachusetts general hospital; Dr. J. C. Aub, professor of research medicine Harvard medical school; Dr. Stanley Levinson, Boston city hospital; Dr. L. A. Gardner, director Trudeau Foundation and Saranac Laboratories for the Study of Tuberculosis; Dr. H. C. Marble, surgical director American Mutual Liability and surgeon Massachusetts general hospital; Dr. D. G. Anderson, research staff Evans Memorial hospital and instructor in medicine Boston University; and Dr. Bernard Maisel, Cornell medical college and New York hospital.

Revokes Licenses of Detroit Agency

(CONTINUED FROM PAGE 4)

tors of the bank, the commissioner said. The original articles of incorporation were filed by Bowen and two women associates without indication of the true ownership and control of the agency, the commissioner pointed out. The agency's license was renewed in April but recently complaints had been filed by individual agents regarding the nature of its operations and a departmental inquiry indicated that the agency was not an independent organization. The hearing then was ordered which revealed the true situation, the commissioner said.

As a result of the disclosures in the Washington agency case, Commissioner Forbes revealed, the department has launched a general check-up of all incorporated agencies now licensed in order to determine their actual method of operation. In event it is found that any others are merely subterfuge set-ups for banks or other controlling corporations which they serve, similar quick revocation of their licenses will follow, the commissioner indicated.

Doubles Earned Credits in Bankers' Blanket Bonds

NEW YORK—The Towner Rating Bureau effective now, has doubled earned credits under the bankers' blanket bond experience rating plan which was introduced in September, 1941. It is estimated that this will produce annual savings for assured of \$1,125,000. It is the seventh B. B. rate reduction granted voluntarily since 1934, and it is being officially acclaimed by the American Bankers Association.

Increased experience credits are available to all assured with contracts in force Nov. 1. All insured whose bonds have an anniversary date on or after Nov. 1 and up to Jan. 1 and whose experience credits already have been computed are entitled to have their computed premium reduced by the increased credit. For example, promulgated credits of 20% are increased to 40%, 15% credits to 30%, etc.

Zone 4 Commissioners Meet in Bismarck, N. D.

Zone 4 commissioners met in Bismarck, N. D., this week, with Erickson of North Dakota the host. Other Zone 4 commissioners attending were Viehmann of Indiana, chairman; Johnson of Minnesota, Fischer of Iowa, Forbes of Michigan and Burt of South Dakota, Harrington of Massachusetts and Holmes of Montana also were on hand. Commissioners met Wednesday to consider recommendations and suggestions of chief examiners, who, except for the examiners from Iowa, met Tuesday.

New Jersey Manufacturers Casualty has declared a dividend of 30% on all policies written in the first quarter of 1943.

FINANCIAL STATEMENT AS OF DECEMBER 31, 1942

ASSETS

Stocks and Bonds.....	\$2,402,570.80
Bonds*	\$1,784,674.80
Stocks	617,896.00
F. H. A. Mortgages.....	193,515.84
Cash in Banks and Office.....	340,074.47
Premiums in Course of Collection (Not over 90 days).....	326,333.24
Accrued Interest and Miscellaneous Funds	21,162.44

TOTAL ADMITTED ASSETS \$3,283,656.79
*Bonds are carried at Amortized Values. If they were carried at Market Value the Surplus to Policyholders would be \$1,117,981.63—Stocks are carried at Market.

LIABILITIES

Reserves for:	
Claims	\$1,092,467.49
Unearned Premiums	879,304.26
Commissions	60,551.43
Tax Reserve	160,000.00
Other Liabilities	37,893.18 \$2,230,216.36
Contingent Reserve	\$153,440.43
Capital	400,000.00
Surplus	500,000.00
Surplus to Policyholders	1,053,440.43
TOTAL	\$3,283,656.79

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Tonight ★★ AFTER YOU SHOO THEM OFF TO BED

Sit back in that big, soft, easy chair of yours and think . . . think about your home. Look around the house for a moment, and live again its life.

Remember the day you bought your first furniture? It was a thrill, wasn't it? You didn't even mind the cost. And think of all you've added since that first eventful day . . . the silverware, rugs, curtains, kitchen equipment . . . the linens, books, radio and records. And don't forget your closet full of clothes . . . and your wife's clothes . . . and the children's . . .

Gee! You've got more than you thought you had . . . and it cost you plenty of money.

Now . . . an important thought . . . are all those things that make your house a home

insured? You think so. You have fire insurance on your house. But think again. Does it cover the contents of your home? Many, many persons either forget to buy fire insurance for the contents or fail to adjust such insurance to the growing value of their homes *year after year*.

These are no times to feed dollars to a fire. In addition to buying War Bonds, invest in sound insurance . . . to "freeze" the security of your home . . . to protect your savings . . . to give yourself freedom from worry over loss.

See *The Man with the Plan*, your local Employers' Group Agent. Let him show you how inexpensive sound insurance is. Let him make a free analysis of all your protection and give you a guiding plan for the fire and casualty insurance you need in trying times like these.

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Sunday evenings over a national book-up. Consult your radio page for time and station.

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is The Man with the Plan*



INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Report on Compensation to Minn. Executive Committee

MINNEAPOLIS — The executive committee of the Minnesota Association of Insurance Agents will have in its hands within a week a report of a special committee named to study the new compensation insurance rating plan. The special committee, headed by Lyle McKown of Wirt Wilson & Co., Minneapolis, held a meeting the past week at which Charles J. Haugh, representing the National Association of Casualty & Surety Executives, and Jerry Barton, Hartford Accident, explained the new rating plan.

President Armand Harris, Past President R. A. Thompson and Secretary Frank Preston of the state association also sat in, along with representatives of Marsh & McLennan, Chas. W. Sexton & Co., Wirt Wilson & Co. and the Kenney Co., St. Paul, all of which are large compensation writers.

At the recent annual meeting of the Minnesota association the new rating plan came in for criticism and an attempt to endorse it on the floor of the convention was defeated. It was then voted to name a special committee to study the subject and report to the executive committee.

Minnesota Buyers Elect

MINNEAPOLIS — C. M. King, Minnesota Mining & Manufacturing Co., St. Paul, has been elected president of the Insurance Buyers Association of Minnesota. A. J. Egan, Industrial Aggregate Co., is vice-president and Alexis Caswell was reelected secretary-treasurer. Directors, in addition to the officers, are P. L. Bachman, General Mills, immediate past president; F. A. Baumann, Minneapolis Brewing Co.; C. O. Holmer, Minnesota & Ontario Paper Co.; A. B. Dean, Commander-Larabee Milling Co., and Van Quackenbush, Minnesota Valley Canning Co.

Rock Island Women Organize

Helen Stombs of the Charles J. Montgomery agency was elected president of the Insurance Women of Rock Island, Ill., at the organization meeting. Other officers are: Vice-president, Mrs. Ethel Joens, H. H. Cleveland agency; treasurer, Mrs. Elsa McBride, Mason agency; secretary, Mrs. Betty Ward, Ohlweiler-Manhard agency. Application was made for membership in the National Association of Insurance Women.

Linnell Sponsors Club Meeting

Thomas G. Linnell, Minneapolis general agent and grand supervisor of the Blue Goose, who is this year observing his 25th anniversary in the insurance business, will sponsor the Nov. 8 luncheon meeting of the Insurance Club of Minneapolis. M. J. Dillon, Hennepin county attorney, will tell of the work of his office.

Fire Brings Sabotage Indictment

CEDAR RAPIDS, IA. — Louis Roemig, Jr., of Amana has been indicted on a federal charge of sabotage in connection with the \$250,000 Middle Amana refrigeration fire June 7. Roemig confessed setting the fire due to dissatisfaction with his duties at the plant, according to officers.

Friday to Speak in Des Moines

DES MOINES — C. D. Friday of Osceola, president of the Iowa Association of Insurance Agents, will address the Des Moines association on Nov. 17 and

will report on the N.A.I.A. meeting in Pittsburgh.

Opens Davenport Office

George D. Lovejoy has opened an adjustment office in the First National Bank building at Davenport, Ia. He has been loss manager of the Federated Hardware Mutuals at Stevens Point, Wis.

NEWS BRIEFS

The John C. Talbott Insurance Agency in Columbus, O., which recently purchased the Seyler, Behrens and Knowlton agencies, has taken larger and more centrally located offices at 8 East Broad street. Mr. Talbott started his agency 13 years ago and has succeeded in building up a large volume of business.

James M. Hengst, Columbus attorney, spoke on "Why Bonds" at a meeting of the Insurance Women of Columbus.

W. F. Somerville, secretary of St. Paul-Mercury Indemnity, will address the St. Paul Association of Insurance Women Nov. 4 on "Comprehensive Liability Insurance." G. U. Blomholm, Anchor Casualty, St. Paul, is lecturing in Wisconsin Rapids.

ing at the educational course of the association on workmen's compensation and employer's liability.

J. C. McDermott, Michigan Mutual Liability, spoke on automobile underwriting at a meeting of the Mutual Insurance Club of Columbus.

Miss Mable Brightwell of Fidelity & Casualty has been elected president of the Insurance Women's Association of Kansas City, succeeding Miss Winnie McGovern, and Miss May Leary of W. B. Johnson & Co., vice-president, succeeding Miss Elizabeth Cockrell. Miss McGovern and Miss Cockrell have left the insurance business.

The Detroit Insurance Women's Club will meet Nov. 9. The toastmaster will be W. T. Benallack, secretary Michigan Fire & Marine, and the principal speaker will be Commissioner Forbes of Michigan. Another speaker will be W. B. Cary, president Detroit Association of Insurance Agents.

Thomas F. Eader, assistant manager of the fidelity and surety department of Travelers in Milwaukee, discussed "Fidelity Bonds" at a dinner meeting of the Wood County Underwriters Association in Wisconsin Rapids.

P. C. Foster, staff adjuster of the Kansas City, Kan., office of Western Adjustment, has been transferred to Parsons, Kan.

New President of Montana Agents' Association

H. O. Morgan, new president of the Montana Association of Insurance Agents, is a partner in the Morgan & Jarrett agency at Glasgow.

Mr. Morgan went to Montana in 1913 from Minnesota to engage in banking at Fairview. Two years later he moved to Valley county and then in 1934 opened an agency at Glasgow. He formed his partnership with

Mr. Jarrett last June. Charles E. Jarrett was previously Great Northern agricultural development agent at Great Falls.

nor Snell has released the letter which says in part:

"That the business of insurance as currently conducted in the United States is highly competitive is too obvious to require elaboration. Anyone who has lived long enough in this country to become a prospect for any kind of insurance coverage has been subjected to ample evidence of the keen rivalry between insurers of all classes and their representatives."

"That the dependence of insurance institutions upon the law of averages necessitates certain agreements and cooperation between insurers in order to maintain their ability to discharge long-term contracts and in order to conduct their functions without excessive cost to the insured, is less understood in circles unfamiliar with the technical phases of the business."

"The several states have enacted legislation to permit this cooperation without the stifling of the free play of initiative and enterprise within the several company units. Furthermore, the supervisory machinery which the several legislatures have established has been designed and operates for the better service and security in meeting the individual insurance needs of the citizens in the various areas of the nation."

"It is my observation that the emphasis on the protection of the insurance needs of the individual, which is the sole approach on the part of legislatures and state insurance departments, is one of the chief contributing factors to the usefulness of the insurance institution. It represents the democratic approach as opposed to the collective approach which constitutionally becomes necessary under any federal legislation and supervision."

Tate to Carter, McDonald: Opening Portland Office

Carter, MacDonald & Co. of Seattle are opening an office in Portland to take care of expanding business and to service more thoroughly their accounts in that area. C. O. Tate, who has been Oregon fire manager for Sweet & Crawford, has been named manager for the new office. Until a location is definitely decided upon, Mr. Tate will work out of Seattle. He has been in insurance work since 1928, starting with Northwestern Mutual Fire of Seattle. After four years there, he was with the U. S. Epperson office in production and engineering work until 1942, when he went with Sweet & Crawford.

C. E. Cooper succeeds Mr. Tate with Sweet & Crawford. He has been associated with the Oregon Insurance Rat-

PACIFIC COAST AND MOUNTAIN

California Agents to Convene Nov. 16 in San Francisco

SAN FRANCISCO — The Business Development Office's panel discussion "Pattern for Progress" will feature the opening session of the California Association of Insurance Agents' annual meeting here Nov. 16. Following greeting from Samuel L. Carpenter, Jr., general manager Pacific Board on behalf of the San Francisco insurance industry, Commissioner Garrison and Roy Scheller, London & Lancashire, president Special Agents Association of Central-Northern California, the B. D. O. sales efficiency program will be presented with Eugene Battles, Los Angeles, vice-chairman agents' advisory council, presiding. John T. Breckon, assistant B.D.O. director, will present the speakers: "Soliciting Personal Accounts," Francis L. McDowell, Riverside, "Developing Accounts by Friendly Agency Service," H. H. Hendren, Sacramento, and "Efficient Office Management and Effective Collection Service," Walter W. Bennett, Los Angeles.

Executive Session Scheduled

An executive session for agents only will be held in the afternoon with Ralph E. Bach, San Diego, vice-president, presiding, followed by the election of officers.

At the annual banquet that evening the new officers will be installed, the oath of office being administered by Commissioner Garrison. The William H. Menn achievement plaque will be awarded. The speaker will be announced later.

At a breakfast meeting on Nov. 17 questions and answers will be answered by a professional board of experts with a free breakfast for those who "stump" the experts.

Special Group Sessions

Agency production, management and operations group sessions will follow

with William P. Welsh, Pasadena, and Ernest Cochrane, Fresno, as co-chairmen. Under agency production consideration will be given: Personal insurance accounts, surveys, sales ideas, financing of premiums, use of form surveys, adjustment of losses, and use of new forms of coverage to increase business.

The following office management problems will be discussed: Personnel, solicitors, collection and premium financing, and agency accounting.

At the final session in the afternoon devoted to planning for the post-war era, "What Price Social Security" will be discussed by E. H. O'Connor, executive director Insurance Economics Society; "Work Pile," Ernest Ingold, president San Francisco Chamber of Commerce; a talk by John Canaday, Lockheed Corporation, Burbank, Cal.; and "Public Relations," Averell Broughton, public relations counsel, National Association of Insurance Agents.

Many to Attend A. & H. Parley

While the annual convention of the California association will not officially open until the morning of Nov. 16, it is expected that the majority of those in attendance will take advantage of the invitation of the Accident & Health Managers club to attend its sales congress the preceding afternoon.

Directors of the California association will hold a parley Monday afternoon followed by a get-together party tendered by the San Francisco insurance fraternity.

State Supervision Serves Individual's Needs: Thompson

PORTLAND, ORE. — Some strong arguments in favor of the Bailey-Van Nuys bill pending in Congress are advanced by Commissioner Thompson of Oregon in a letter addressed to the state's congressional delegation. Gover-

ing Bureau as an engineer in the sprinklered risk and special hazard department since 1926.

Los Angeles Exchange Courses

LOS ANGELES—Robert E. Masterson, special agent of Fireman's Fund Indemnity, lectured on "Owners' or Contractors' Protective Liability Insurance" before the advanced casualty class of the Insurance Exchange of Los Angeles.

The elementary class took up "Fire Insurance—the Contract," with Vice-president Marshall W. Paxton of Edward Brown & Sons as instructor.

Miss Nora Peach of the St. Paul-Mercury group will speak Dec. 1 on "Inland Marine Insurance: Definition, Kinds and Forms," and Miss Florence Hennelly, Massachusetts Bonding, will lecture Nov. 18 on "Automobile Liability—Policy Form."

To Report on N. A. I. A. Meeting

PORLTAND, ORE.—The Portland Association of Insurance Agents will hold a meeting Nov. 9 to hear reports on the Pittsburgh convention of the National Association of Insurance Agents.

George W. Haerle, state national director and the newly-elected chairman of the Far-West Agents Conference, and Fred E. Jewett, president of the Portland association, will give highlights of the convention.

Dog—The Friend of Man



WAR DOGS

Here are pictured Fido and Rover, and the dog from next door, who have gone to war. A typical group of soldier-trainers are shown taking a squad of their canine charges, officially designated as K-9, out to the drill ground for training which prepares them for their new Army duties. They are taught to obey either oral or manual commands and their training follows a rigid course of instruction designed to make a real soldier of our four-footed friend.

While the response has been good, the Army needs more dogs and inquiries regarding the loaning of your dog to the Army are welcomed and will be promptly answered. Write to the post, camp or station nearest you for information if you have a dog you would like to loan to the army.

Another Friend of Man

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A Friendly Company

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(Reduced reprint from a series of calendar-blotters sent monthly to our agents and prospective agents.)

EASTERN STATES ACTIVITIES

Mass. Agents Elect H. D. Barnes as President

SPRINGFIELD, MASS.—The Massachusetts Association of Insurance Agents at its annual convention here elected Harold D. Barnes of the Reynolds Agency of Pittsfield president to succeed Paul J. Woodcome of Fitchburg. Other officers elected are: Vice-presidents, Paul J. Jullien, Waterville; John M. Glidden, Damariscotta, and Howard E. Kyes, Wilton; national state director, John Whitcomb; secretary-treasurer, E. Shepley Paul, Auburn (re-elected); B. H. Brown, Houlton, and Allen Wentworth, Skowhegan, were elected to the executive committee for three years.



P. J. Woodcome

Retiring President Woodcome said that total membership in the association is 573, an all time high. Much of the credit for this, he said, is due to the good work of Mr. Barnes who headed the membership committee. He said that in the past 20 years business and industrial management has grown enormously until its entire personnel constitutes a 10,000,000 working population, which is about equal to the combined membership of the A. F. of L. and C. I. O. Those in insurance constitute a large segment of this business management population, and must become a dynamic part of the business management group if its business is to be protected.

Secretary Clarke said that the association is planning a casualty discussion course for agents in Massachusetts this winter and that 40 casualty field men are training as discussion leaders. The association adopted a resolution endorsing the Bailey-Van Nuys bill, and in another asked for payment of incentive and service commissions on assigned risks under the compulsory automobile law.

Springfield Fire & Marine was host to the entire convention at a luncheon. William A. Hebert, executive vice-president, spoke briefly.

Reelect Library Officers

BOSTON—The Insurance Library Association of Boston at its annual meeting reported some curtailing of its educational activities due to the war situation but otherwise showed a continuation of useful service in many lines. The membership stands at 254, a drop of only eight from the previous year.

Trustees reelected were: Gorham Dana, retired, Brookline; Gayle T. Forbush, retired, Natick, Mass.; Ralph G. Hinkley, American; H. A. Kneeland, John C. Paige & Co.; Walter Small, Field & Cowles; Gay Gleason, general counsel Employers Liability.

W. B. Medicott, who died after the meeting, was reelected president; James F. Crafts, eastern manager Fireman's Fund, vice-president; D. N. Handy, secretary-treasurer and Miss Abbie G. Glover, assistant secretary-treasurer.

Add to Public Relations Group

NEWARK—Two new members have been added to the public relations committee of the New Jersey Association of Insurance Agents. They are George E. Jamison, Bloomfield, formerly president of the Essex county association, and George J. Borgos, Kearny, N. J.

Harrington Calls Parley

Commissioner Harrington of Massachusetts has called a meeting at noon, Nov. 10 at the lunch club, 63 Wall street, New York of the new commissioners committee to make recommendations for the writing of broader covers.

Young Made Head of Maine Agents at Annual Meeting

AUGUSTA, ME.—Ralph L. Young of Portland was elected president of the Maine Association of Insurance Agents at its annual convention here, succeeding John Whitcomb of Bar Harbor. Other officers elected are: Vice-presidents, Paul J. Jullien, Waterville; John M. Glidden, Damariscotta, and Howard E. Kyes, Wilton; national state director, John Whitcomb; secretary-treasurer, E. Shepley Paul, Auburn (re-elected); B. H. Brown, Houlton, and Allen Wentworth, Skowhegan, were elected to the executive committee for three years.

About 165 agents, company men and guests attended the banquet which closed the convention. Mayor Williams of Augusta gave the address of welcome, and Governor Sewall spoke briefly. Speakers on the afternoon program were David A. North, New Haven, Conn., retiring president of the National association, who discussed the public relations program of the N. A. I. A.; Commissioner Perkins, and William W. Ellis, agency superintendent of Aetna Casualty.

Describing how an agent in Holyoke, Mass., sold 68 residence and outside theft policies in his first 100 interviews and a York, Pa., agent sold 89 out of 100, Mr. Ellis said that there are four sales points in placing the policy: See lots of people, present the contract intelligently and clearly, quote the three year premium, and ask the prospect to buy.

New England Mutual Agents Gather for Boston Meeting

BOSTON—More than 200 mutual agents from the six New England states have registered for the annual conference of the Mutual Insurance Agents Association of New England to be held here Saturday.

Deputy E. S. Cogswell is to represent the insurance department at a noon luncheon at which President W. Bruce Adams of Fitchburg will preside. Other speakers will be Vice-president George Williamson, Merchants Mutual Casualty; Vice-president M. P. Luthy, Lumbermen's Mutual Casualty, and Chase M. Smith, general counsel of Lumbermen's, on "Where do we go from here?"

Others on the program include H. M. Wardwell, New England manager of Utica Mutual; J. L. Gagan, Merchants Mutual; Vice-president F. Frank Scannell of Lumbermen's; L. B. Moore of O'Brien, Russell & Co., Boston; Norman MacDonald, executive director Massachusetts Federation of Taxpayers Associations; President Leonard J. Raymond of Dickie-Raymond, Inc., and Roger Kenney of the "United States Investor."

Reiner Opens Own Agency

Warren G. Reiner, formerly vice-president of the Cronheim Organization and manager of its insurance department, has established his own agency at 31 Clinton street, Newark. He has been in insurance work nearly 25 years, starting in Philadelphia at the home office of Franklin Fire. He later was with Fireman's Fund as assistant special agent for about five years and then with Albert M. Greenfield Co., Philadelphia, as manager of the insurance department. He went to Newark in 1934.

Jackson Exchange Elects

JACKSON, TENN.—The Jackson Insurance Exchange has elected Earl Seaton president, to succeed Joe Guest; Merrill S. Wise, vice-president, and Thomas W. Patton, secretary-treasurer.

SOUTH

N.I.A. Casualty-Surety Setup Praised by Coleman

The San Antonio Insurance Exchange heard a review of the Pittsburgh convention of the National Association of Insurance Agents by Secretary F. F. Ludolph, and F. M. Coleman of Coleman & Co. Mr. Ludolph stressed the discussion of federal legislation and reviewed briefly the points Senator Byrd made with regard to need for economy while carrying on the war effort and giving to the American soldier all that he needs.

Mr. Coleman spoke of the creation of separate casualty and surety committees as a move which will give each group better service and assure that their interests will be given due weight in the policies of the National association. He expressed the strongest appreciation for the support which had been given him by the local exchange and the Texas association in his fight to secure a more effective plan for protecting and advancing the interests of the surety people. He said the results obtained by the creation of separate casualty and surety committees in the National association will depend upon the personnel of the committees, but he expressed confidence in the ability of those who will select the committees.

S. E. U. A. Extends Furniture Cover

The Southeastern Underwriters Association in a recent amendment, applicable to Alabama, Georgia and South Carolina, rules that policies covering household furniture while in an apartment, hotel or boarding house may be extended to cover the furniture while elsewhere on the described premises or temporarily at any other location. This extension of coverage is the same as that now provided under the dwelling and household furniture forms.

Such an interpretation of policy forms was recently sought in a petition filed with the S.E.U.A. by the rates, rules and forms committee of the Alabama Association of Insurance Agents.

Hold "Out of Town Guest Day"

The Insurance Women's Club of Oklahoma City held an "out of town guest day." President Joyce Lindsey welcomed the guests. Speakers were Mrs. Ruby Dixon, president of the Tulsa Insurance Women's Club; Lieut. Col. Peller, Capt. Susan Faherty and S. H. Lattimore. Guests were present from Tulsa, Norman, Altus, Shawnee, Durant, Oklahoma, Chickasha and McAlester, Oklahoma.

There were 88 present, including members and guests.

Firemen Hear Insurance Men

Speakers at the annual meeting of the Oklahoma Fire Chiefs Association at Tulsa included L. E. Antene, manager, and A. R. Smith, chief engineer Oklahoma Inspection Bureau; Commissioner Head and T. J. Ellis, state fire marshal.

Colburn Addresses Class

CHATTANOOGA, TENN.—Charles S. Colburn, president of the Chattanooga Insurance Exchange, discussed "Owners and Contractors Protective Liability" in the course sponsored jointly by the Chattanooga Exchange and Association of Insurance Women.

Lancaster to Davis & Co.

Jack Lancaster, who has been special agent for Cravens, Dargan & Co. in the Corpus Christi territory, has been appointed special agent in the same territory for H. L. Davis & Co. of San Antonio.

Va. Hearing on Water Damage

RICHMOND—The Virginia rating bureau is seeking authority to revise the manual of water damage rates. The

proposed revision would involve a small increase in rates. Although only about \$1,000 a year in premiums is involved, the state corporation commission held a public hearing on the petition. Decision was reserved after the hearing.

Bolton Makes Change

Donald A. Bolton, former general agent in Jacksonville, Fla., for Eagle Indemnity and other companies, has gone with Whatley, Davin & Co. there as vice-president. Mr. Bolton has had a broad casualty and engineering experience.

NEWS BRIEFS

Hugh W. Hicks, local agent of Jackson, was elected regional vice-president, and J. Ross Reed of Greeneville a trustee of the Tennessee State Elks Association at the annual meeting in Nashville.

The North America has a display of its collection of fire fighting relics in the windows of Julius Straus & Sons agency in Richmond, which is attracting much attention.

Farm Bureau Mutual Fire of Maury County, Columbia, Tenn., has been incorporated. It is the 30th county mutual in Tennessee.

CANADIAN

Ontario Membership Campaign

TORONTO—The Ontario Fire & Casualty Insurance Agents Association plans an energetic campaign to get 300 members before the next annual meeting under leadership of the new president, Frank D. Bliss of Hamilton. While some Toronto agents are members, the objective is a larger membership from this city.

Carriers with Atlas

Jean Carrières, formerly inspector of Royal-Liverpool, has been named inspector of Atlas in Quebec province. He succeeds M. Belec, who resigned to go into the agency field, in partnership with G. D. McManamy of Sherbrooke. The agencies of T. Belanger, C. O. Palmer and J. C. Somers & Co. also have been merged into this partnership.

Thompson on B. C. Board

John F. Thompson of the Thompson Agencies, Vancouver, has been appointed as independent agents' representative on the British Columbia Insurance Board. He succeeds the late John P. McBeath.

Montreal Institute Elects

James Matson, Royal-Liverpool, has been elected president of the Insurance Institute of Montreal. Vice-presidents are: A. Campbell, North British, and G. S. Murray, Guardian of Canada; secretary, W. G. Child, Great American; treasurer, A. T. Cunningham, Phoenix of London.

Convict Minn. Theft Ring

MINNEAPOLIS—Arthur and Robert Gifs were found guilty in federal court here of operating a gigantic automobile theft ring in the Twin Cities. In 1940-42, they stole \$50,000 worth of cars, according to testimony brought out at the trial. Three other members of the gang pleaded guilty previously.

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MARINE INSURANCE NEWS

Favors Return of Export Cover to Private Insurers

NEW YORK—The war is approaching a point at which, it is hoped, it will be possible for the government to begin gradually withdrawing from the war risk insurance market and returning the business of insuring export cargoes back to private underwriters, Percy Chubb, director of the War Shipping Administration's division of war time insurance, said at a meeting of the National Foreign Trade Convention. Mr. Chubb has just been appointed assistant deputy administrator of fiscal affairs for WSA in addition to his other duties. He has been in the marine business about 12 years, and was active in organizing the American War Cargo Risk Reinsurance Exchange in 1939. He was named insurance adviser of the U. S. Maritime Commission in December, 1941.

While there have been differences of opinion between commercial underwriters and the W.S.A., Mr. Chubb praised the former for their cooperation during the dark days of the war. There has never been a time when the fullest cooperation was not accorded W.S.A. by American underwriters, he declared.

F. C. & S. Clause Revision

He said that although it has been criticized, the WSA's revision of the F. C. & S. clause, which differs considerably from the British version and which has met with British criticism, became obviously necessary in the summer of 1942 with the decision of the house of lords in the "Coxwold" case. This decision, he said, had the effect of transferring to the war risk policy certain risks which had traditionally been considered marine risks. The British decision established the law for Great Britain but it by no means followed that a similar view would be taken by American courts and accordingly it appeared essential that the American

position should be clearly defined by a revision of the contract.

In negotiations between the British and American insurance markets in an effort to get a unified stand on the F. C. & S. clause, it developed that for economic reasons the British were anxious to transfer to the marine cover a large percentage of borderline hazards, Mr. Chubb said. If American underwriters had followed this course it would have involved a substantial increase in marine risks surcharges, Mr. Chubb said, and this would have been contrary to American efforts toward price stabilization. Consequently it became necessary for the American and British market to part ways on the subject of definition of war risks. Even so steps were taken to insure that an importer or exporter would be protected if his marine cover was placed in one market and his war risk protection in another.

Terminated Trip Ruling Upheld

TORONTO—The court of appeals has upheld last year's lower court decision that a war risk premium is fully earned when the vessel sets out for her destination and the risk is not cancelled when the voyage is terminated shortly after sailing. In this case, the custodian of enemy property sought to recover the premium from Eagle Star on the ground that, although the ship left Montreal for Le Havre, in June, 1940, the fall of France a few days later caused the cargo to be landed at Quebec. The court took the position that the policy showed no intention of dividing the risk into various portions.

Vigorous Parley Held by New Hampshire Agents

(CONTINUED FROM PAGE 6)

ing collected for public relations work is to be spent and how they are to be spent. That precaution, he said, might prevent serious public misunderstanding. He emphasized his opposition to federal regulation of insurance, to the proposed extension of the social secur-

Convention Dates

Nov. 4-5—Illinois agents, Springfield, Abraham Lincoln Hotel.

Nov. 15-17, California Association of Insurance Agents, San Francisco, Whitcomb Hotel.

Nov. 17, Casualty Actuarial Society, New York, Hotel Biltmore.

Nov. 19, Southeastern Underwriters Association semi-annual meeting, Atlanta, Biltmore Hotel.

Nov. 17, Maryland Agents, Baltimore, Belvedere Hotel.

Nov. 28-Dec. 1, National Association of Insurance Commissioners, midyear meeting, New York City, Commodore Hotel.

Dec. 1-2, Insurance Section American Management Association, Hotel Statler, Cleveland.

ity law through the Wagner bill and to any federal entry into the business of aviation insurance.

The National association today stands on the threshold of outstanding attainment, all stemming from the thinking of agents who have required a new business maturity, Guy T. Warfield, Jr., Baltimore, National association executive committeeman, declared. Assumption of responsibility by the national, state and local organizations, and each of their members, has brought great results and will bring many more. Mr. Warfield made a strong plea for support of the Bailey-Van Nuys bills in Congress.

Manning W. Heard, vice-president of Hartford Accident, gave an outstanding address on "Looking Into the Future."

A new departure for New Hampshire will be the payment of \$50 a month to the secretary-treasurer, who will also edit "Granite Chips," the association paper.

At the annual meeting of the New Hampshire Insurance Women's League attended by about sixty members each regional director gave a report. A. Edna Reilly, Melcher & Prescott, Laconia, retiring president, presided. New officers elected are Eunice A. Wood, Gowan agency, Dover, president; Margaret Challis, Eastman & Merrill, Concord, vice-president; and Katherine Donovan, Merrill & Everett, Concord, secretary-treasurer.



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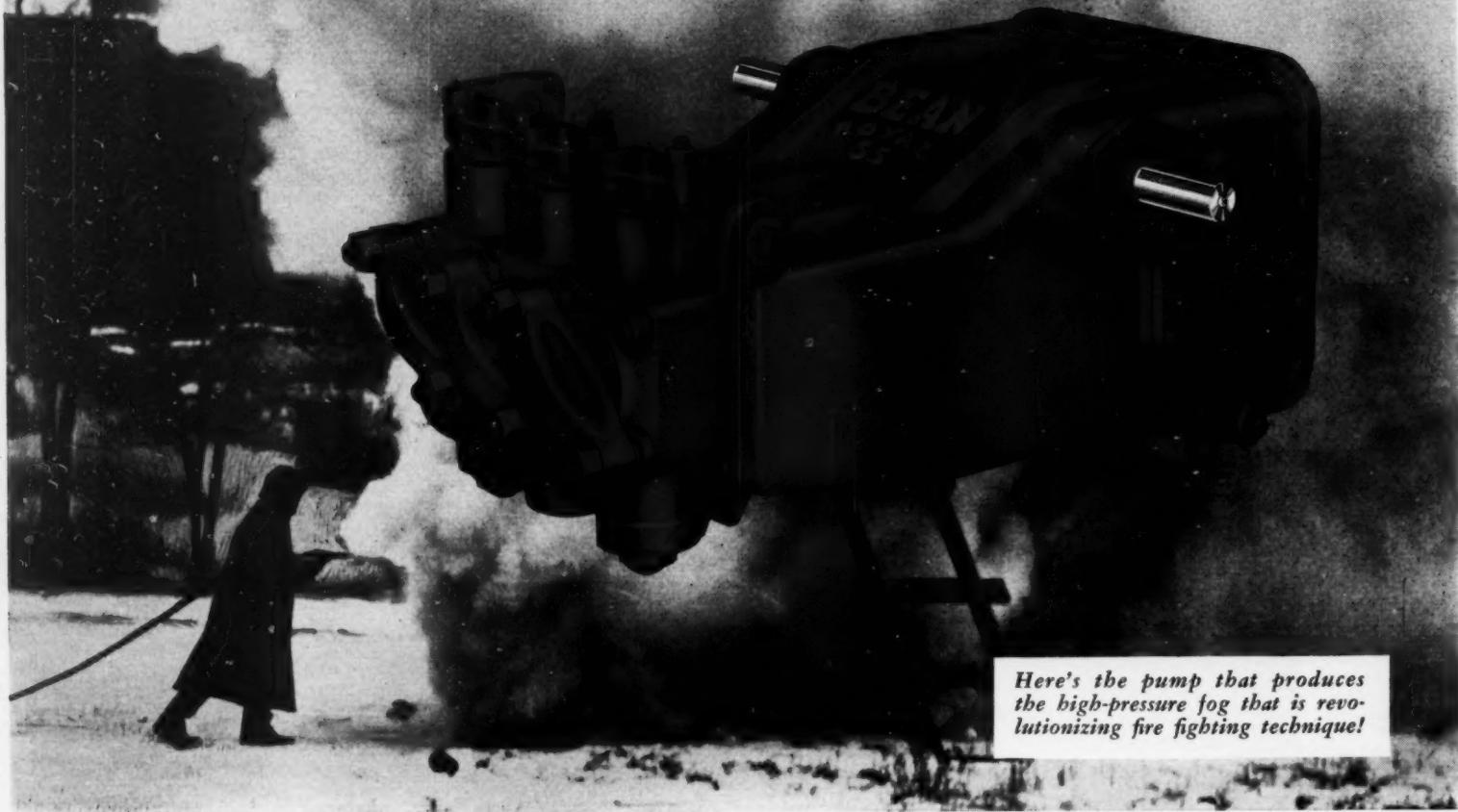
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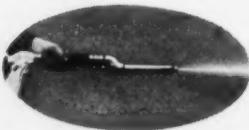
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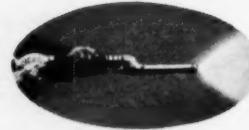
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